ABOUT THIS REPORT

Bindura Nickel Corporation Limited, a company listed on the Zimbabwe Stock Exchange (ZSE) since 1971, is pleased to present its annual report for the year ended 31 March 2021. This is our first annual report integrating financial and corporate sustainability information, prepared in accordance with the Global Reporting Initiative (GRI) Standards 'Core' Option.

REPORTING SCOPE

The report contains information about the operations and exploration projects of Bindura Nickel Corporation Limited ("the Company") and its subsidiaries together "the Group" in Zimbabwe. Any references in this report to ''our'', ''we'', ''us'', ''the Group'', "Company," "BNC" refers to Bindura Nickel Corporation Limited.

REPORTING FRAMEWORKS

This report was compiled with due consideration of the following regulatory requirements and reporting standards:

- Companies and Other Business Entities Act [Chapter 24:31];
- Zimbabwe Stock Exchange (ZSE) Listing Requirements;
- International Financial Reporting Standards (IFRS); and
- Global Reporting Initiative ("GRI") Standards.

DATA AND ASSURANCE

The financial statements were audited by Ernst & Young Chartered Accountants (Zimbabwe), in accordance with the International Auditing Standards (ISAs). The independent auditor's report is contained on pages 91 to 94. Sustainability information was reviewed by the Institute for Sustainability Africa (INSAF), as subject matter experts, for compliance with GRI Standards, but not externally assured. A GRI Content Index is contained on pages 143 to 146.

REINSTATEMENTS

The Group did not make any reinstatements of data previously published.

BOARD RESPONSIBILITY AND APPROVAL 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. The Board recognises its responsibility for ensuring the integrity of this annual report. In the Board's opinion, the report fairly presents the overall performance of the Group. The Board believes that it has been prepared in accordance with the GRI Standards – 'Core' Option. This report was approved by the Audit Committee on 24 June 2021.

CURRENCY

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

FORWARD LOOKING STATEMENT

This report may contain forward-looking statements which relate to the future performance and prospects of the Group. While these statements represent our judgements and future expectations, several known and unknown risks, uncertainties and other important factors may cause actual results to differ materially from our expectations. These include factors that could adversely affect our business and performance. Stakeholders are cautioned not to place undue reliance on any forward-looking statements contained herein. We do not undertake to update publicly or to release any revisions to these forward-looking statements, to reflect events or circumstances after the date of the publication of this report or to reflect the occurrence of unanticipated events.

FEEDBACK

We welcome your feedback on our annual report. If you have any suggestions on how we can improve our reporting or clarifications that you may need on any information provided in this report, please send your comments to Mr Conrad Mukanganga, the Company Secretary on CMukanganga@bnc.co.zw.

Chairman **Managing Director**

The BNC 2021 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.

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VISION & MISSION

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.

VALUES STATEMENT

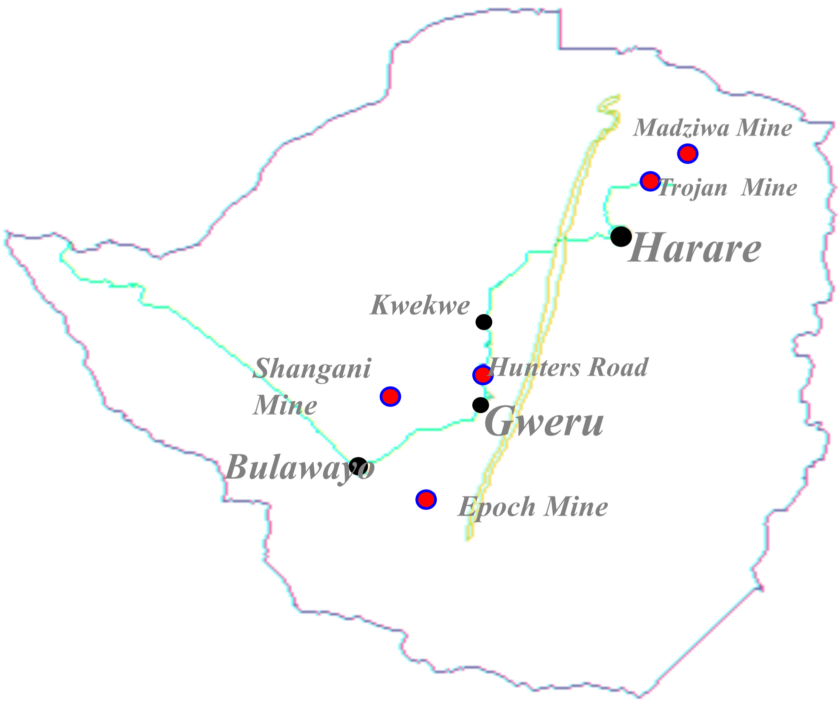
VALUES

- Commitment to safety
- Complete customer satisfaction
- Employee empowerment
- Good corporate citizenship
- Integrity
- Respect
- Quality

OUR JOURNEY

The history of Bindura Nickel Corporation Limited coincides with the very discovery of nickel in Zimbabwe. Today we are one of the leaders in nickel extraction and production in Zimbabwe. Our operations are housed at the first nickel deposit that was discovered in Bindura (Trojan Mine) in 1956. The first nickel concentrate was produced in 1964. BNC was then established by the Anglo American Corporation Group in 1966. Mining at Madziwa Mine commenced during the same year.

LOCATION OF OPERATIONS



OUR JOURNEY

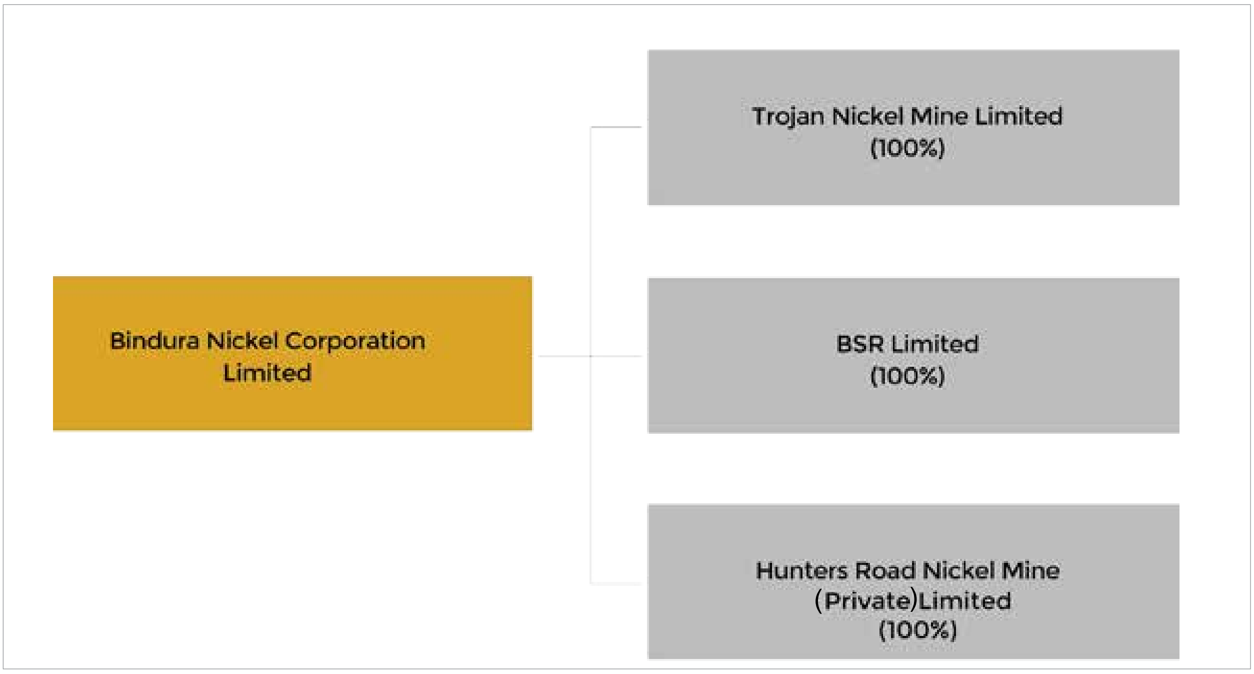
Year	Milestone
1956	Discovery of Nickel at Trojan Mine.
1964	First Nickel concentrate is produced.
1966	• Madziwa Mine is established. • BNC is established.
1968	The first Smelter and Refinery (BSR) is commissioned.
1969	• Epoch Mine is established in Filabusi. • Shangani Mine is discovered.
1971	Bindura Nickel Corporation Limited is listed on the Zimbabwe Stock Exchange
1976	Two blast furnaces are decommissioned and replaced with an ultra-modern electric furnace.
1997	Proposals to develop Hunters Road Nickel Mine are made.
1998	Epoch Mine is closed due to a decline in mineral prices and poor ground conditions.
2003	Anglo American Corporation sells its stake (52.9%) in BNC to Mwana Africa Plc.
2008	The Shangani and Trojan Mines and the Bindura Smelter and Refinery (BSR) complex are placed on care and maintenance due to depressed nickel prices.
2012	US$23 million is raised through a renounceable rights offer to necessitate the reopening of Trojan Mine. The mine subsequently restarted operations in October 2012 after nearly four years of care and maintenance.
2014	Mwana Africa Plc increases its shareholding to 74.73%.
2015	• BNC raises US$ 20 million through a Bond for the Smelter Restart. • A Chinese mining and exploration group, Asa Resource Group Plc, acquires control of BNC by taking over Mwana Africa's 74.73% shareholding.
2019	Asa disposes of its stake in BNC. Sotic International Limited (Sotic) acquires the controlling shareholding of Asa Resource Group Plc, making it the majority and controlling shareholder.
2020	Sotic transfers its entire shareholding in BNC to Kuvimba Mining House (Private) Limited.
2021	• BNC fully repays the Smelter Restart Bond. • BNC completes the Shaft Re-deepening and Tie-in Project.

OUR BUSINESS AT A GLANCE

Bindura Nickel Corporation Limited is a company operating a mine and a smelter complex in Bindura, Zimbabwe. The Company is engaged in the mining and extraction of nickel and production of nickel by-products (copper and cobalt). The Group's major product is nickel concentrates which contain nickel sulphide. The main uses of nickel are the production of stainless steel and battery cathodes. With the development of electric and hybrid cars in the automotive industry, the demand for nickel sulphide is projected to rise steadily in the medium to long term. BNC is Africa's only fully integrated nickel producer.

CORPORATE STRUCTURE

BNC has three subsidiaries, namely BSR Limited (formerly Bindura Smelter and Refinery Limited), Hunters Road Nickel Mine (Private) Limited (Hunters Road) and Trojan Nickel Mine Limited (TNML). However, TNML is the only operating entity, with BSR having been dormant since 2004 and Hunters Road still at project stage.



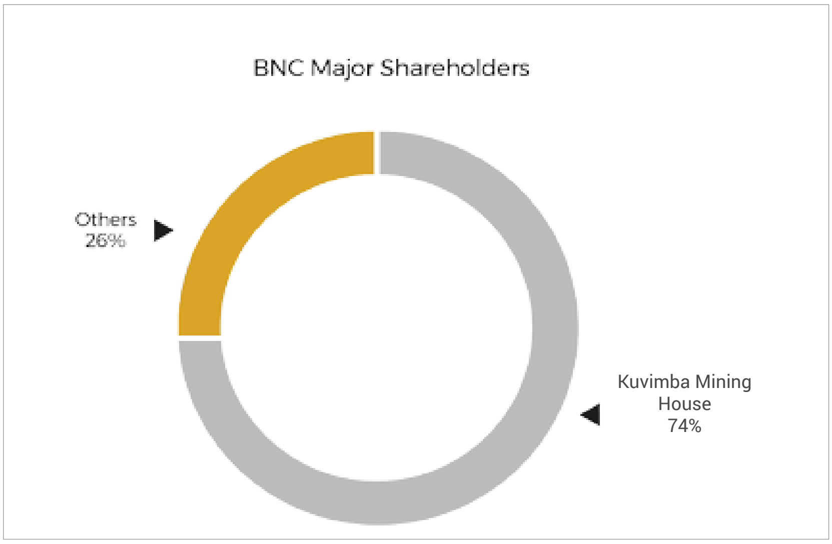
OUR BUSINESS AT A GLANCE

Subsidiary Profiles

Trojan Nickel Mine Limited (TNML)	TNML, located in Bindura, Mashonaland Central Province, Zimbabwe, is a wholly-owned subsidiary of BNC.
Trojan Mine	Trojan Mine is a division of TNML. • Measured, Indicated and Inferred resource size - 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 – 2.76 million tonnes at an average grade of 0.86% Ni equivalent to 23 600 tonnes of contained nickel. • Restarted in 2012 following a US$23 million restructuring and recapitalisation programme, after a four year care and maintenance period.
Status	**Operational Mine**
Shangani Mine	Shangani Mine is a division of TNML. • 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**
BSR	BSR is a division of TNML. • The smelter has the capacity to treat BNC and third-party concentrates.
Status	**Both the Smelter and Refinery are on care and maintenance.**

BENEFICIAL OWNERSHIP

Bindura Nickel Corporation Limited is a publicly-traded company listed on the Zimbabwe Stock Exchange. The Company is owned in majority 74% by Kuvimba Mining House (Private) Limited and 26% is collectively owned by other shareholders.



CORPORATE MEMBERSHIPS

Chamber of Mines of Zimbabwe.

CERTIFICATIONS

ISO 14001:2015: Environmental Management System.
ISO 17025: 2017 (Accreditation) – Testing and Calibrating Laboratories.
ISO 45001:2018: Occupational Health and Safety Management System.

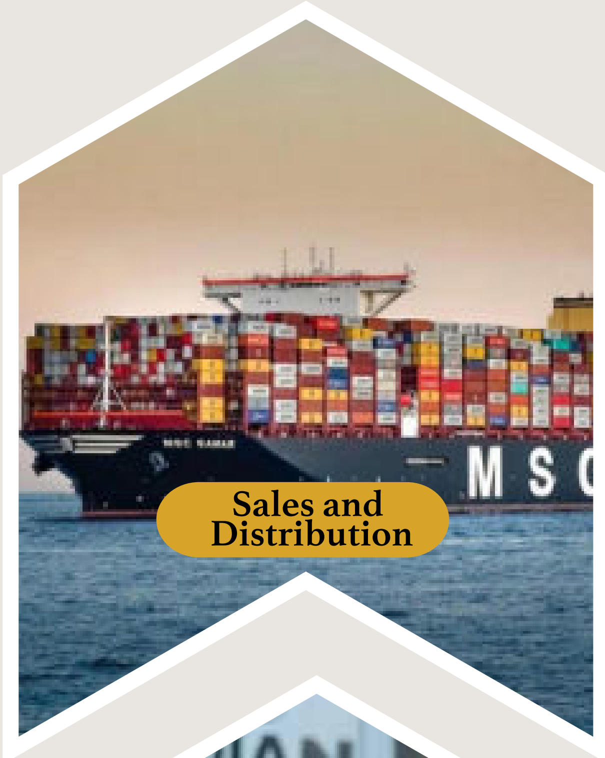
OUR MINING VALUE CHAIN

BNC's core operations cover prospecting, exploration, mining, processing, smelting, refining, sales and dispatching of nickel. Our business is so much more than mineral processing and sales, as we are also a value enhancer for suppliers, employees, the government, shareholders, customers and communities among others.

OUR MINING VALUE CHAIN

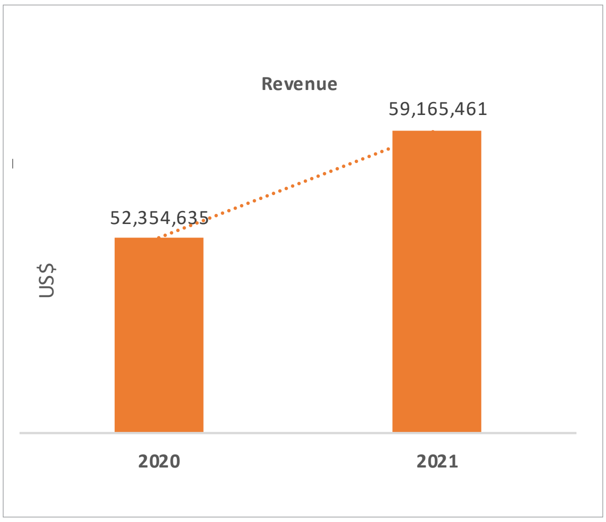
Our Markets

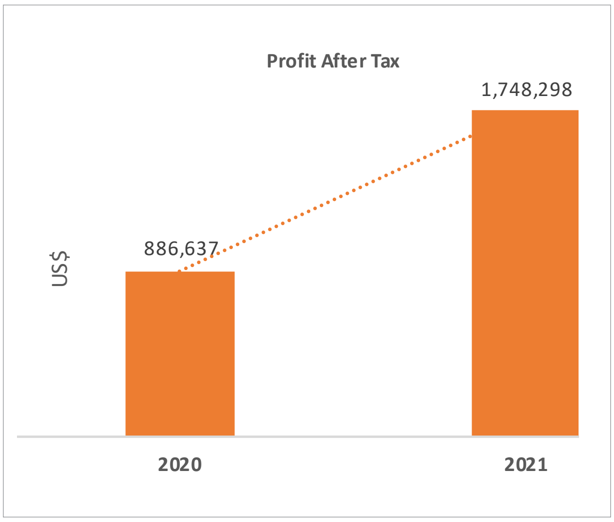
BNC sells all its nickel concentrates through a third party, ZOPCO, which is registered and based in Geneva, Switzerland. The company is a private independent trading house focused on supplying non-ferrous metals and concentrates to global markets.

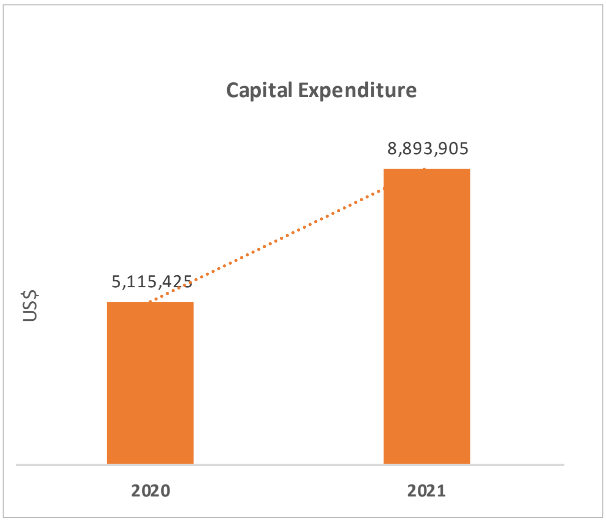


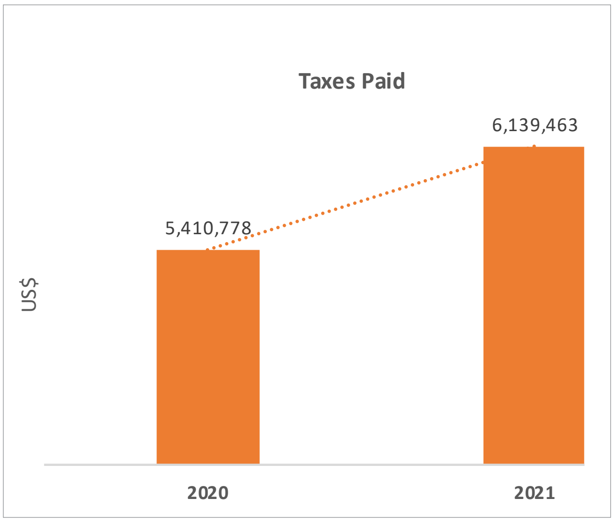
FINANCIAL HIGHLIGHTS

	2021 US$	2020 US$
Revenue	59,169,461	52,354,635
Profit After Tax	1,748,298	886,637
Capital Expenditure	8,893,905	5,115,425
Taxes Paid	6,139,463	5,410,778
Equity	51,950,346	49,850,788



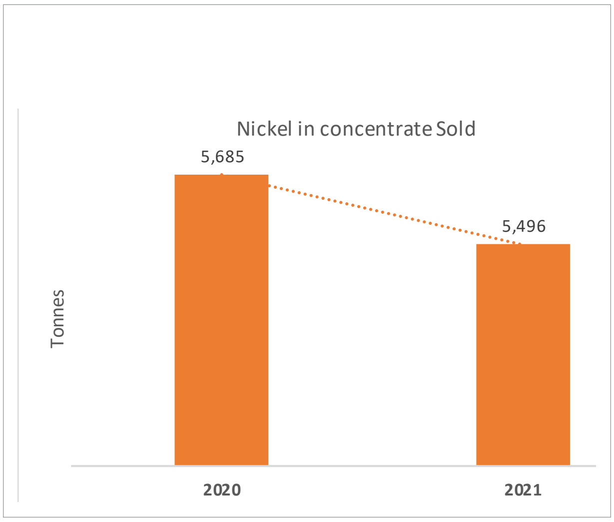


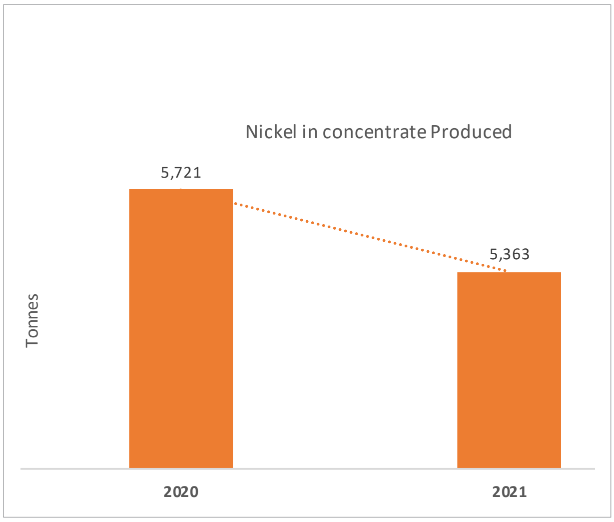




OPERATIONAL HIGHLIGHTS

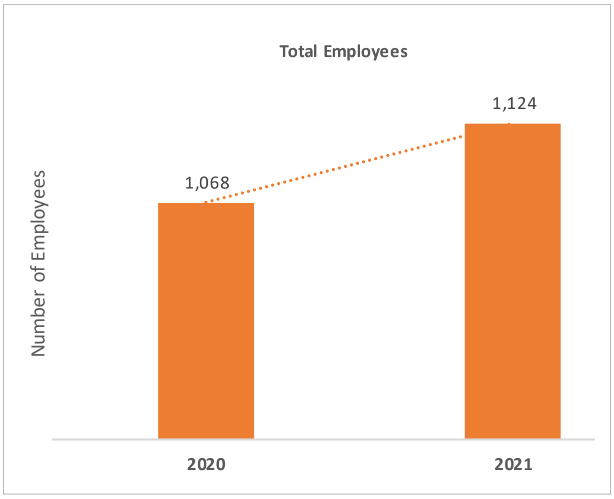
	2021	2020
Nickel in concentrate Sales (tonnes)	5,496	5,685
Nickel in concentrate Produced (tonnes)	5,363	5,721
Proved and Probable Reserve (tonnes) (Trojan Mine)	2,760,000	2,730,000

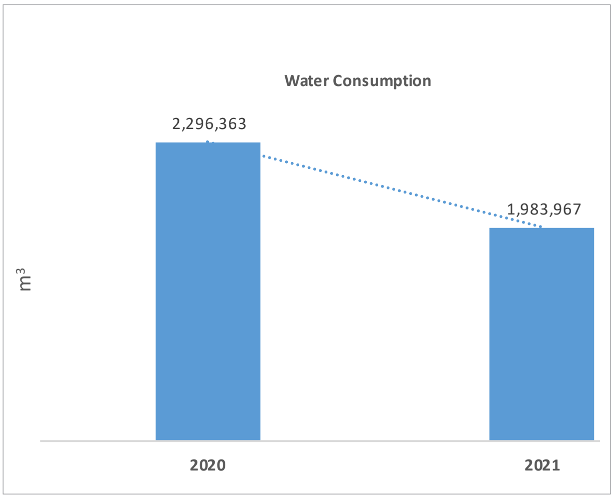




SUSTAINABILITY HIGHLIGHTS

	2021	2020
Lost Time Injury Frequency Rate (LTIFR)	1.60	0.90
Electricity (KwH)	66,158,926	64,305,863
Nitrous Oxide (NOx) Emissions (kg)	354	352
Water Usage (m^3)	1,983,967	2,298,363
Total Employees	1,124	1,068





Muchadeyi Ashton Masunda
Board Chairman

> "The commissioning of the Re-deepening Project, as well as the replacement of the aged mobile mining equipment which is under way, will reduce mining operating costs going forward."

DEAR STAKEHOLDERS

I am pleased to report on another positive year for Bindura Nickel Corporation Limited, despite the difficulties occassioned by the Covid-19 pandemic.

SAFETY

No fatalities were recorded at any of the Company's operations or projects during the year under review. A total of 2.6 million fatality-free shifts were achieved, as at 31 March 2021. The last fatality occurred in June 2015. The Company is now working towards the attainment of a new milestone of 3 million fatality - free shifts by the end of the first quarter of the new financial year.

The Board and Management take safety very seriously, given the inherently hazardous nature of the mining industry. The Company has a zero tolerance attitude towards injuries in the work place. SHEQ systems are continually being upgraded and improved to enhance performance in line with the Company's Zero Harm policy.

COVID-19 UPDATE

A nationwide surge in Covid-19 pandemic cases took place in late December 2020. The Company was not spared from this upsurge as 94 positive cases were recorded during the year under review. Out of the 94 cases, 87 were company employees while 7 were employees' dependants.

By the end of January 2021, the negative effects of the Covid-19 virus had drastically reduced, signifying a reduction in the overall disease burden on the community surrounding the Company's operations, in consonance with the country's general Covid-19 pandemic situation.

The Company has continued to implement Covid-19 control and preventative measures, in line with the World Health Organisation protocols, as well as the preventative measures introduced by the Government of Zimbabwe. In addition, the Company did the following to assist the Bindura Community in the fight against the pandemic:

i. Contributed towards the construction of the Chipadze Covid-19 Quarantine Centre;
ii. Provided resources to the local community clinic to enable effective screening and management of Covid-19 cases;
iii. Sponsored employment by the local community clinic of a back-up medical team;
iv. Provided Covid-19 consumables to critical national institutions like the Zimbabwe Republic Police.

CHAIRMAN'S STATEMENT CONT'D

The Covid-19 vaccination programme being run by the Ministry of Health and Child Care was introduced at Trojan Mine in April 2021. By the end of May 2021, more than 200 beneficiaries from the local community had been vaccinated voluntarily.

OPERATIONS

Ore milled was 411 754 tonnes, compared to 434 077 tonnes milled in the previous year. The 5% decrease was due to a loss in production, emanating from the pre-planned shutdown, running from the beginning of March to the end of April 2021, to facilitate commissioning of the Re-deepening and Tie-in Project. Head grade, at 1.52%, was marginally lower than the 1.53% achieved in the prior year. Recovery decreased from 86.3% to 85.9%, in sympathy with the lower grade.

Nickel in concentrate produced was 5 363 tonnes, compared to the prior year's production of 5 721 tonnes. The 6% reduction in production was due to the lower milled tonnage, lower ore grade and lower recovery achieved respectively.

The all-in-sustaining cost of producing nickel in concentrate increased from US$7 606 per tonne in the prior year, to US$8 552 per tonne, mainly due to the decrease in production, increase in the cost of maintaining aged mining equipment and increase in local operating costs.

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

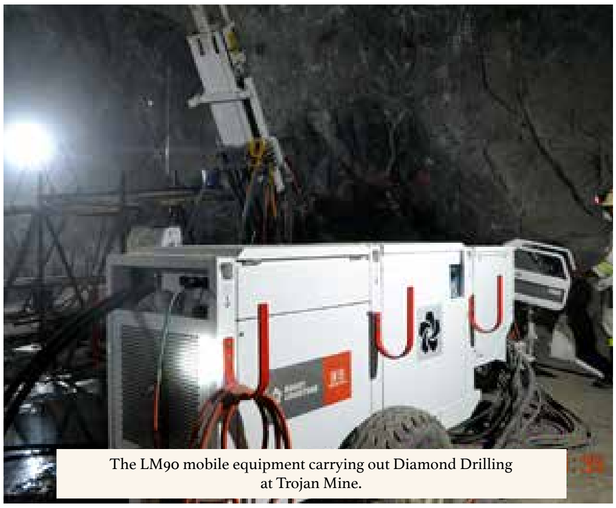
CAPITAL PROJECTS

Total capital expenditure for the year amounted to US$8.9 million, mainly in respect of the following projects:

- Sub-vertical Rock (SVR) Winder mechanical and electrical upgrades: (US$1.7 million)
- Shaft Re-deepening: (US$1.1 million)
- Load-Haul-Dump (LHDs): (US$1.2 million)

The Refinery and Shangani Mine remain under care and maintenance.

Produced Nickel in concetrate at Trojan Mine


The LM90 mobile equipment carrying out Diamond Drilling at Trojan Mine.


Capital expenditure included the 52 SBS Cone Crusher purchased during the period under review.

FINANCIAL RESULTS

Income Statement

In line with the reduced production, nickel in concentrate sold was 5 496 tonnes, compared to 5 685 tonnes sold in the previous year.

Global nickel prices improved by 7% during the period under review to an average of US$14 999 per tonne (2020: US$13 983 per tonne). The increase in nickel prices more than compensated for the reduction in sales volume. As a result, the Company realised a 13% increase in annual turnover to US$59.2 million (2020: US$52.4 million).

Cost of sales increased by 19% to US$44.9 million, compared to US$37.7 million in the prior year. This was mainly due to the impact of local input costs, occasioned by the disparities between the auction exchange rates and the exchange rates that suppliers use in their pricing models, as well as the high cost of maintaining the aged mobile mine plant and equipment.

The commissioning of the Re-deepening Project, as well as the replacement of the aged mobile mining equipment which is under way, will reduce mining operating costs going forward. In view of the exchange rate disparity induced increase in local operating costs, BNC will endeavour to utilise more of its 60% export retention to procure inputs from outside Zimbabwe.

Although the gross profit amount achieved in the period under review remained constant, when compared to the prior year, the gross profit margin, at 24%, was lower than the prior year's margin (2020: 28%) principally due to the cost increases detailed above.

Operating profit increased by 17%, from US$2.8 million for the prior year to US$3.3 million for the period under review. This is attributable to revenue growth driven by improved nickel prices, coupled with the decrease in marketing and distribution expenses, arising from a new off-take agreement entered into during the year.

Profit and total comprehensive income for the year, at US$1.7 million, was 97% higher than the US$0.89 million recorded in the prior year. The achieved profit translates to basic and diluted earnings per ordinary share of 0.139 and 0.133 United States cents respectively.

Balance Sheet

Total equity of US$52.0 million increased by 4% as a result of the profit achieved for the year. Trade payables increased by 99%, attributable to the pre-planned shutdown, from 1 March to the end of April 2021, which adversely affected the creditor payment cycle. The Smelter Restart Bond outstanding at the end of March 2020 was repaid in full during the year. Current assets increased by 14%, mainly due to increases in trade and other receivables, as well as cash and short-term deposits.

Diamond drilling being carried out on 43/0 level at Trojan Mine as part of the Company's development thrust, in enhancement of sustainable mining.

CHAIRMAN'S STATEMENT CONT'D

During the year under review, a total of 21 601 841 ordinary shares were issued to employees who were eligible to be allotted shares under the Share Option Scheme (2016). This resulted in an increase in the issued share capital of the Company from 1 251 130 797 to 1 272 732 638 ordinary shares, as at 31 March 2021.

Cash Flows

Despite the lower production, cash generation during the year was strong, driven by the higher nickel prices on the global markets. Cash generated from operations, at US$10.4 million, was 19% higher than the prior year.

As stated above, all commitments due to Bondholders at the September 2020 and March 2021 intervals, respectively, were honoured. As a result, the Company has now paid off its indebtedness to Bondholders. The Board and Management would like to express gratitude to all the Bondholders and the Bond Trustee, for their support.

BUSINESS CONTINUITY

Current Situation

Trojan Nickel Mine Limited is currently the only operating unit within Bindura Nickel Corporation Limited (BNC). On average, it mines and produces +/-400 000 tonnes of ore and 5 500 tonnes of nickel in concentrate per annum respectively, which translates into +/- 40% plant capacity utilisation. The low capacity utilization has largely been driven by a mining strategy anchored on a high-grade/low-volume ratio of 1 part massives to 2 parts disseminated ore.

BNC has nickel resources across Zimbabwe under mining, processing and exploration assets. These are Trojan Mine, Shangani Mine, the BSR (formerly Bindura Smelter and Refinery) facility, Hunter's Road Project, Damba-Silwane as well as the Trojan Hill and Kingstone Hill Projects. Collectively, these resources amount to a total of 71.37 million tonnes of ore, at an average grade of 0.59%, containing approximately 420.8 kilo-tonnes of nickel.

THE FUTURE

Core Strategic Objective:

BNC's long-term goal is to produce at least 10 000 tonnes of nickel per annum.

Key Strategic Advantages:

The key strategic advantages which BNC will exploit to achieve its set objective are:

- High volume-low grade resource: availability of a confirmed huge low grade disseminated resource of approximately 8.33 million tonnes, at an average grade of 0.86% at Trojan Mine, which will support a high-volume strategy; and

- Large and underutilized processing capacity: Trojan Mine has a sound processing plant with approximately 60% excess capacity at current production rates. This plant has an installed capacity to process up to 1 million tonnes per annum.

Environmental Factors

The most significant environmental factor driving up demand for nickel on the international world markets is the manufacture of electric vehicles (EVs) in order to mitigate adverse impacts to the natural environment. BNC will also leverage on the increasing nickel prices to exploit previously marginal nickel resources so as to extend the life of mine and fulfil its strategy of volume-based growth, anchored on fully utilizing currently installed processing capacity.

Strategies

The strategies adopted by BNC, going forward, are:

- High volume, low grade operation: This model will enable the Company to exploit the predominantly low-grade resource, subject to the nickel prices remaining above US$13 000 per tonne and
- Full utilization of processing plant capacity: This will see the Company fully utilizing the installed processing capacity of the Trojan Mine concentrator (one million tonnes per annum).

CRITICAL ACTIVITIES TO SUPPORT THE STRATEGIC DIRECTION

Development

The Company will ramp up development from 3 330 to 8 000 metres per annum in order to attain and then sustain the production of 10 000 tonnes of nickel per annum.

Exploration

In order to extend the current BNC ore resource, exploration work will be carried out at Trojan Mine and near-mine sources such as Trojan Hill and Kingstone Hill, in addition to Hunter's Road and Damba-Silwane.

The Trojan Mine Re-deepening Project (Phase 1)

Trojan Mine completed and successfully commissioned the Shaft Re-deepening Project during an almost 8-week long shutdown as described above. The Trojan Mine Re-deepening Project involved two major components, namely:

(i) The Shaft Re-deepening and Tie-in. This involved the deepening of the existing sub-vertical shaft system by 244 metres, so as to enable access to known ore resources below the then existing shaft bottom. This work has resulted in the transfer of the crusher station and the loading station to lower levels. The lowest depth of the mine after this project is now 1 321 meters below surface (mbs).

(ii) Sub-Vertical Rock (SVR) winder mechanical and electrical upgrades. This work involved the replacement of the mechanical braking system, rope drum cheeks and bearings and the complete replacement of the old electrical controls, switch gear, and cabling. The hoist's two direct current (D.C.) motors were also refurbished and additional cooling fans were installed.

The electrical and mechanical upgrades were necessary to enable the SVR winder to carry the additional load from the main loading station, which is now 244 metres deeper than its previous location.

During commissioning of the Re-deepening Project, the following works were also carried out on surface infrastructure, to support future production:

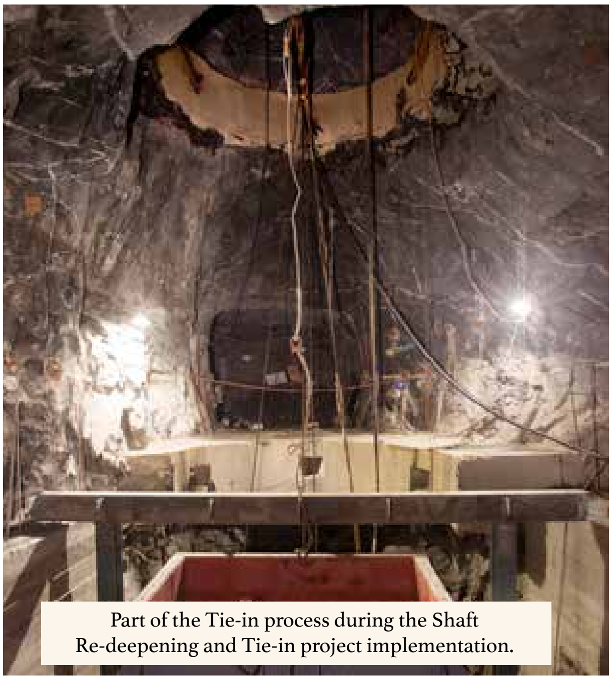
(i) Refurbishment of the Main Shaft Headgear. This entailed the replacement of corroded beams and the diverter, as well as the general painting of structures.

(ii) Refurbishment of the Processing Plant. This work involved the replacement of one of the two tertiary crushers, the upgrading of conveyors to take additional tonnage from the new crusher, the replacement of mill gearboxes, repairs on floatation tanks and the replacement of tailings thickener rakes. The obsolete Supervisory Control and Data Acquisition (SCADA) plant control system was also replaced, while the plant structures and plate work were repaired and painted.

Benefits of the Re-deepening and Tie-In Project

The benefits of the project on mining, mineral resource and mobile equipment efficiency for the business are summarised as follows:

a) Improved productivity - due to significant reduction of trucking distances underground;
b) Elimination of double handling of material;
c) Creation of mining flexibility for both disseminated and massive ores;
d) Increase in capacity utilization – which enables sustainable production and conservation in mining, through the transition from a high grade/low volume plan to a high volume/low grade plan;


Part of the Tie-in process during the Shaft Re-deepening and Tie-in project implementation.

CHAIRMAN'S STATEMENT CONT'D

e) Facilitating deeper exploration and evaluation. The completion of the Re-deepening Project facilitates the establishment of deeper level platforms for further down-dip exploration drilling. This extends the Life of Mine, hence contributes to business continuity.

THE MARKET

Sales for the year under review were 5 496 tonnes of nickel in concentrate, compared with the 5 685 tonnes sold during the prior year. The nickel LME cash settlement price for the year rose by 7%, compared to the prior year, to US$14 998.76 per tonne.

After two successful spot sales, Trojan Nickel Mine Limited (TNML) agreed on an annual contract with ZOPCO SA for the sale of nickel concentrate. Performance under the subsisting contract is proceeding smoothly.

OUTLOOK

Base metal prices were weak at the beginning of the financial year under review as a result of low economic activity due to the COVID-19 induced lockdowns. Market sentiment eventually recovered after the rollout of COVID-19 vaccines and the gradual resumption of economic activity. Sentiment was also bolstered by economic stimuli from central banks globally and improved demand from China.

Speculative investment into nickel propelled prices towards highs of US$20,000 per tonne in February 2021 after comments of potential shortages in battery grade nickel. The announcement by Tsingshan, one of the largest nickel producers in the world, that there was new technology to generate nickel sulphate from laterites, led to nickel price corrections in March 2021. Market demand is expected to be robust, supported by growth developments in the automotive and electric vehicle (EV) sector, stimulus packages by governments for infrastructural spending and the United States of America's current stance on green energy.

The easing of production suspensions in Russia, New Caledonia, Madagascar and Australia, coupled with capacity expansions in Indonesia are expected to increase the supply of nickel.

The nickel price is expected to remain firm in the new financial year.

DIVIDEND

The Board of Directors has determined that, under the current circumstances, it is not feasible to declare a dividend for the period under review.

CONTINGENCIES

Prior year tax dispute between TNML, a 100% subsidiary of BNC, and the Zimbabwe Revenue Authority (ZIMRA).

Brief Summary

As has been previously reported, the Company is involved in a dispute with the tax authorities emanating from tax assessments which were issued in February 2018, amounting to approximately ZW$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 was finally heard on 12 November 2020 and since then, TNML has been awaiting judgement on the matter, which was delayed by the COVID-19 induced national lockdown. The matter is still before the Special Court for Income Tax Appeals for determination. The Company remains confident that the matter will be resolved in its favour and the potential liability has therefore not been provided for.

SHAREHOLDER AND BOARD CHANGES

Subsequent to the previous announcement relating to the change in the shareholding structure of the Company, whereby Asa Resource Group Plc, 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, this shareholding was transferred to Kuvimba Mining House (Private) Limited (KMH). As at 31 March 2021, KMH held 73.24% shares in the Company.

The following changes to the Board of Directors of the Company took place during and after the financial year:

Resignations

- Mr Christopher Fourie stepped down as Non-Executive Director with effect from 8 July 2020.
- Mr Batirai Manhando resigned as Managing Director of the Company with effect from 9 November 2020.

Appointments

The following appointments have been previously reported:

- Mr David Hugh Brown joined the Board as Non-Executive Director on 1 April 2020.
- Mr Thomas Lusiyano was appointed Managing Director of the Company on 9 November 2020.
- Mrs Cynthia Dinka Malaba and Mrs Roseline Nhamo were appointed as Non-Executive Directors with effect from 1 December 2020.

The following further appointments took place after December 2020:

- Dr. Charity Chiratidzo Jinya was appointed as Non-Executive Director with effect from 1 February 2021.
- Mr Patrick Maseva-Shayawabaya joined the Company in the executive position of Finance Director with effect from 1 April 2021.

PROFILES OF THE LATEST BOARD APPOINTEES

We welcome two new appointees to the Board of Directors, viz, one Independent Non-Executive Director and one Executive Director.

Charity Chiratidzo Jinya (Dr.)
(Independent Non-Executive Director)

Throughout her professional banking career spanning over 30 years, Charity has established herself as an astute executive with domestic and regional banking experience at Board level. Prior to her retirement in 2020, she was the Managing Director of a leading bank after serving the organisation for ten years. She has held positions of President, Bankers Association of Zimbabwe, Chairman, SADC Bankers Association and Chairman, Institute of Bankers Zimbabwe. Among her accomplishments, she has been a recipient of various awards including the Institute of Directors of Zimbabwe's (IoDZ) Director of the Year for Large Corporates and overall Director of the Year. She is a holder of an Honours Degree in Economics and an Honorary Doctorate in Business Administration. She serves on various boards and is a current member of the Monetary Policy Committee of the Reserve Bank of Zimbabwe.

Patrick Maseva-Shayawabaya
(Executive Director)

Patrick is a member of the Institute of Chartered Accountants (Zimbabwe). He holds a Bachelor of Accountancy (Honours) Degree from the University of Zimbabwe. He joined the Company as Finance Director with effect from 1 April 2021.

He brings to the Company over 25 years' experience in executive financial management in mining, agro-industrial and construction concerns in Zimbabwe and the SADC Region. He has previously served as Financial Director of a ZSE listed agro-industrial company, an ASX listed mining company in Zimbabwe as well as an AIM listed mining entity in Tanzania.

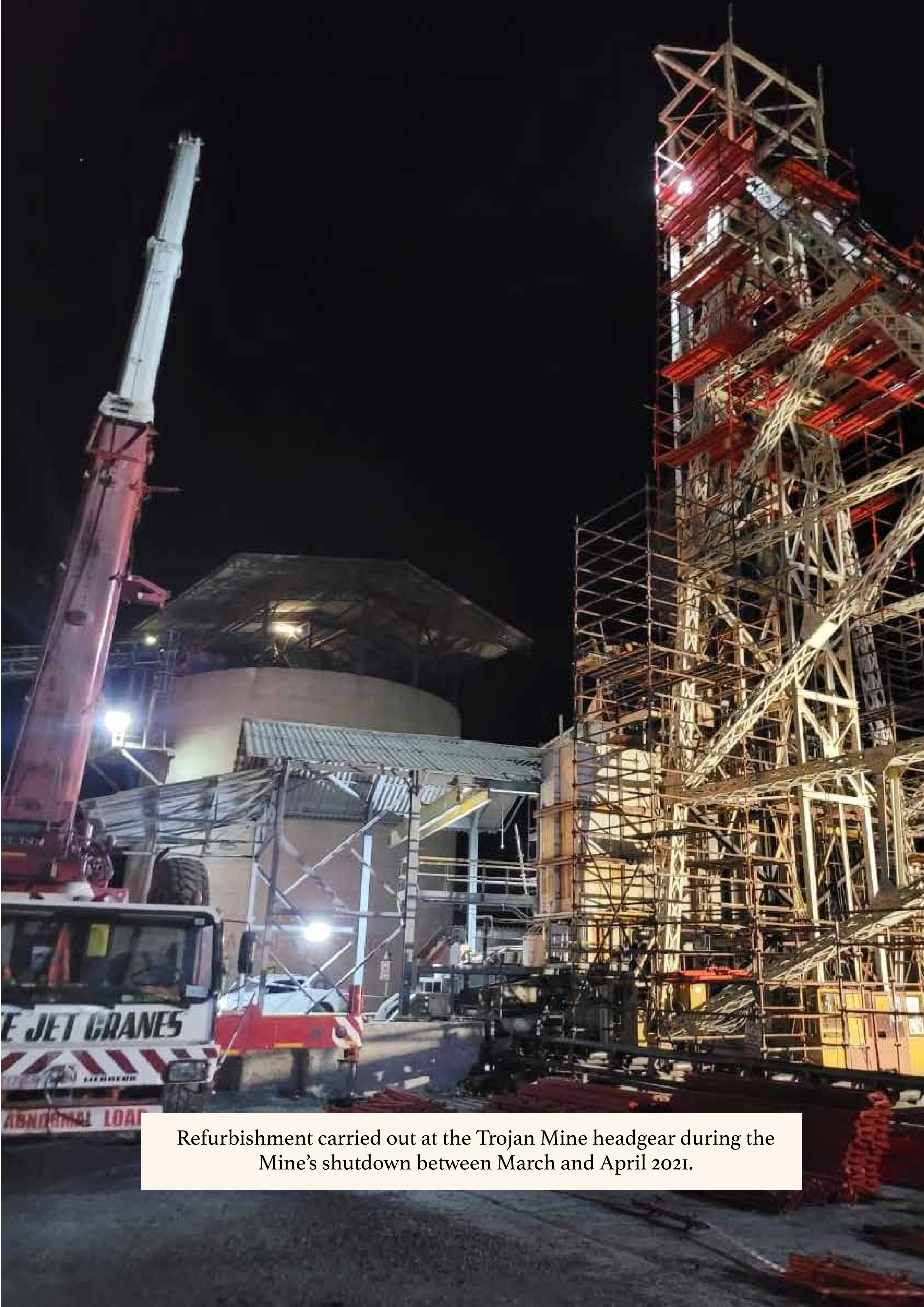
APPRECIATION

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

30 June 2021



Refurbishment carried out at the Trojan Mine headgear during the Mine's shutdown between March and April 2021.

MANAGING DIRECTOR'S OPERATIONAL REVIEW
for the year ended 31 March 2021

Thomas Lusiyano
Managing Director

> "With the successful commissioning of the Shaft Re-deepening and Tie-in Project, the operation is transitioning from a high grade–low volume strategy to a high volume–low grade strategy with an expected upward trend in the Nickel in concentrates produced."

DEAR STAKEHOLDERS

I am pleased to report to you on the operational performance of Bindura Nickel Corporation Limited (BNC) for the year ended 31 March 2021.

COVID-19 OVERVIEW

BNC remained generally safe from COVID-19 during the year, due to strict adherence to and enforcement by management of the health and safety requirements instituted by the Government of Zimbabwe as well as the Company's observance of the best practice standards set by the World Health Organisation (WHO).

In total, 87 COVID-19 positive cases were recorded among BNC employees during the year. Sadly, two employees succumbed to the effects of COVID-19 related complications. We offer our sincere condolences to the bereaved families.

By the end of January 2021, the effects of the COVID-19 virus on the mining operations had declined significantly, signifying a reduction in the overall disease burden on the community, in line with the country's general pandemic situation.

In addition to the COVID-19 mitigation measures instituted within the Company, BNC also provided support to the wider Mashonaland Central Province community as referred to elsewhere in this report.

In total, BNC spent US$1.2 million on COVID-19 management and mitigation measures internally and in the wider Bindura Community.

MANAGING DIRECTOR'S OPERATIONAL REVIEW CONT'D
for the year ended 31 March 2021

SHEQ

Safety performance for the year witnessed five (5) Lost Time Injuries recorded, compared to three (3) for the previous year. Fortunately, all injured employees recovered fully from their injuries and returned to active duty. The management team has rededicated itself to the attainment of ZERO harm.

Certification Audits

The operation went through a rigorous re-certification process, including Surveillance Audits in respect of ISO 14001: 2015 and ISO 45001:2018, resulting in the renewal of the ISO 14001:2015 certification and the retention of the ISO 45001 certification.

Production: Key Operational Statistics for the Year Ended 31 March 2021

The production statistics for the year ended 31 March 2021, together with the quarterly results for the same period are as indicated in the accompanying table below.

TROJAN MINE		Year ended 31 Mar 2021 Actual	Quarter ended 31 March 2021	Quarter ended 31 Dec 2020	Quarter ended 30 Sep 2020	Quarter ended 30 June 2020	Year ended 31 Mar 2020 Actual
Ni in conc produced	(t)	5,363	960	1,474	1,767	1,162	5,730
Head grade	(%)	1.52	1.34	1.47	1.72	1.49	1.53
Tonnes milled	(t)	411,754	85,888	116,713	117,436	91,717	434,072
Recovery	(%)	85.9	83.34	86.16	87.70	84.95	86.3
Tonnes mined	(t)	412,605	88,333	116,525	116,425	91,322	437,013
Development metres	(m)	1,404	278	355	376	395	1,304
Nickel sales	(t)	5,496	1,067	1,864	2,539	27	5,685
Average LME Nickel Price	($/t)	14,999	17,625	15.941	14,231	12,197	13,983
Cash cost C1	($/t)	7,540	12,910	6,967	5,250	7.310	6,801
Production cost C2	($/t)	8,347	14,058	7.690	5,957	8,093	7,339
All in sustaining cost C3	($/t)	8,552	14,606	8.049	5,747	8,450	7,606

Both tonnes mined and milled for the year were 5% lower than for the previous year's production as a result of the shut-down from 1 March to 27 April 2021, for the purpose of completing the Shaft Re-Deepening and Tie-in Project. Consequently, there was no production during the month of March 2021. Head grade was marginally lower than for the previous year. Nickel in concentrate production was 6% lower than the previous year, in line with the lower tonnes ore milled.

The all in sustaining cost (C3), at US$8 552 per tonne, increased by 12% from the prior year's US$ 7600 per tonne. The increase was mainly due to the lower production, arising from the Shaft Re-deepening and Tie-in project shut-down referred to above.

MINERAL RESOURCES AND ORE RESERVES

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 off of figures may cause computational discrepancies for totals.

MANAGING DIRECTOR'S OPERATIONAL REVIEW CONT'D

for the year ended 31 March 2021

BNC MINERAL RESOURCES STATEMENT AS AT 31 MARCH 2021

Operation	Resource Category	Tonnes (Mt) 2021	Tonnes (Mt) 2020	Grade (%Ni) 2021	Grade (%Ni) 2020	Contained Nickel (Kt) 2021	Contained Nickel (Kt) 2020
Trojan Mine	Measured	1.69	1.89	0.96	0.94	16.2	17.75
	Indicated	2.60	1.79	0.91	0.88	23.6	15.67
	Measured and Indicated	4.29	3.68	0.93	0.91	39.7	33.42
	Inferred	4.30	3.91	1.07	1.03	45.9	40.38
	Total	**8.59**	**7.59**	**1.00**	0.97	**85.6**	**73.80**
Hunters Road	Measured	-	-	-	-	-	-
	Indicated	36.4	36.4	0.55	0.55	200.0	200.0
	Measured and Indicated	36.4	36.4	0.55	0.55	200.0	200.0
	Inferred	-	-	-	-	-	-
	Total	**36.4**	**36.4**	**0.55**	**0.55**	**200.0**	**200.0**
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 2021

Operation	Reserve Category	ROM Tonnes (Mt) 2021	ROM Tonnes (Mt) 2020	Grade (%Ni) 2021	Grade (%Ni) 2020	Contained Nickel (Kt) 2021	Contained Nickel (Kt) 2020
Trojan Mine		Mt	Mt	(%Ni)	(%Ni)	Kt	Kt
	Proved	1.06	1.35	0.84	0.81	8.9	10.96
	Probable	1.70	1.38	0.87	0.85	14.7	11.74
	Total	**2.76**	**2.73**	**0.86**	**0.83**	**23.6**	**22.70**

Explanatory Notes:
1) Mineral Resources are reported inclusive of Ore Reserves.
2) Mineral Resources are reported based on a 0.45% Ni cut-off grade.
3) The Ore Reserves for disseminated ore type have been reported down to 37L (1 035 mbs).
4) The Ore Reserves for massive ore type have been reported down to 45L (1 281 mbs).
5) Mineral Resource tonnages increased by 13% from 7.59Mt in March 2020 to 8.59Mt in March 2021. The contained metal increased by 16% from 73.8Kt in March 2020 to 85.6Kt in March 2021. The average grade of the Mineral Resources increased by 3% from 0.97%Ni to 1.00%Ni in March 2021. The increase in the Mineral Resource tonnage , grade and contained metal is attributed to the medium to high grade disseminated ore intersections encountered during the 41L exploration drilling campaign.
6) Massive ore Mineral Resource tonnage and contained nickel metal decreased by 51% and 28% respectively while the grade increased by 45%. The decrease in the tonnage was attributed to the termination of footwall massive ore mineralisation at 43/2L due to silicification and komatiitic intrusions. The hangingwall massive extends down to 49/2L (1 368mbs). There has been significant reduction in the strike legth of the orebody from an average of 30m at 41L to 15m below 43/1L.
7) Ore Reserves tonnage increased by 1% from 2.73Mt in March 2020 to 2.76Mt in March 2021. Reserve equivalent contained metal increased by 4% from 22.7Kt (March 2020) to 23.7Kt in March 2021.
8) Potential geological risk is the silicification of footwall and hangingwall massive orebody and intrusions below 41/2L ,which has resulted in significant reduction in the size and extent of massive orebody below 41L. An estimated 195 thousand tonnes of ore, with approximately 2 600t of contained metal were lost due to changes in the massive orebody from 43L to 49/2L.
9) Further exploration drilling is being done from 41/0L cubby targeting areas below 45/0L.

HUNTERS ROAD
1) The effective date for Hunters Road Mineral Resource estimate is May 2006.
2) Mineral Resource estimates were based on 0.40%Ni cut-off grade.
3) The 36.4Mt Resource includes 2,377Kt of resource which forms part of a 30m cap of oxide ore mineralisation.
4) In addition, in 1993, an Anglo American Mineral Resource Evaluation Department (MinRED) estimate showed 11,000kt grading 0.43% Ni approximately, 600m east of the West Ore body of Hunter's Road which is not included in the resource shown above.

MANAGING DIRECTOR'S OPERATIONAL REVIEW CONT'D
for the year ended 31 March 2021

ENGINEERING

Highlights for the year ended 31 March 2021 were:
Several initiatives were undertaken during the financial year ended 31 March 2021 in order to stabilise as well as improve the availability of fixed and mobile plant and equipment. Some of the initiatives were successfully concluded, while others are continuing.

Underground Fixed Plant
The Sub Vertical Rock (SVR) winder upgrade was successfully completed during the Re-deepening and Tie-in shutdown. The winder was commissioned to a design speed of 11 metres per second.

Mobile Mining Equipment
The equipment availability improved from 63% in the prior year to 71%. The re-built support rig was also delivered in March and was commissioned in April 2021. The availability of rigs improved from 74% in the prior year to 85%.

The Concentrator
The Concentrator Plant operated satisfactorily throughout the year. However, some of its major components were refurbished during the shutdown that was necessitated by the Shaft Re-deep and Tie-in Project. Improved plant performance has been noted since then.

The crushing plant was refurbished during the shutdown and has been operating well since then, with an availability in the region of 96%.

The milling section is running well at an average of 98% availability and major focus is now on procuring critical spare components.

Water Supply
The main supply dams (Mwenje and Masembura) were both full as at 31 March 2021.

Electrical Power Supply Availability
Under-voltages, power surges and load-shedding were experienced at various times during the year.

HUMAN RESOURCES

Head Count
The Company's head count was 1,124 as at 31 March 2021, an increase of 5% from 1,068 in the previous year, mainly due to additional fixed term labour that was hired specifically for the Shaft Re-deepening and Tie-in Project.

Industrial Relations
The industrial relations climate remained calm and stable throughout the year. A limited number of Works' Council meetings for both the NEC workers and managerial workers were conducted during the year, due to the restrictive measures that were implemented in compliance with the COVID-19 guidelines and protocols, which barred physical meetings. However, communication between management and the worker leadership was done virtually.

The following additional management initiatives contributed to the improvement in the industrial relations climate:
- An emerging management culture of care and empathy.
- Management's proactive response to employees' issues and concerns.
- Corporate Social Investment (CSI) initiatives undertaken by management to improve the welfare of employees and their dependants, including the refurbishment of Trojan Mine Primary School and the Trojan Mine Clinic, among others.

MARKETING
The Company sold 5 496 tonnes during the year under review, compared to 5 685 tonnes in the prior year. This reduction was mainly due to a late start to the year, occasioned by the delay in the finalisation of an off-take agreement with a new customer, ZOPCO, following the termination of the agreement with Glencore. In addition, there was no production in March 2021 due to the Shaft Re-deepening and Tie-in Project shutdown, whilst the measures instituted by the Government of Zimbabwe in response to the outbreak of the COVID-19 pandemic in early 2020 resulted in a temporary stoppage in production.

Nickel prices rose by 7% from $13,983/t for the previous year to $14,999/t for the year ended 31 March 2021. Prices were firmer during the year as governments intervened with economic stimuli to aid economies that had been hard hit by lockdowns due to COVID-19. Nickel price was also supported by current and anticipated demand from the electric vehicle industry.

Prices are expected to continue firming, with a supply deficit being forecast for the year to 31 March 2022. Demand is expected to be supported by the green energy agenda, growth from energy storage systems and stainless-steel demand for infrastructural projects. However, the reduction in fiscal support (leading to lower liquidity) for economies globally as the world recovers from the COVID-19 pandemic will pose a risk to the nickel price.

FINANCIAL PERFORMANCE
Despite extraordinarily challenging circumstances caused by the Covid-19 pandemic, we delivered a satisfactory operating performance this year, leading to positive financial results. Revenue increased by 13% to US$59.2 million (2020: US$52.4 million), operating profit increased by 17% to US$3.3 million (2020: US$2.8 million) and profit attributable to shareholders increased by 97% to US$ 1.7 million (2020: US$0.9 million).

The positive results were driven by an increase in global nickel prices during the year and our ability to sustain operations during a global pandemic. Our balance sheet has strengthened during the year as short-term borrowings and the Smelter Restart bonds were repaid in full during the year. Capital expenditure of US$ 8.9 million (2020: US$ 5.1 million) was spent mainly on the re-deepening project and replacement of aged mining equipment, which will reduce mining costs going forward.

MANAGING DIRECTOR'S OPERATIONAL REVIEW CONT'D
for the year ended 31 March 2021

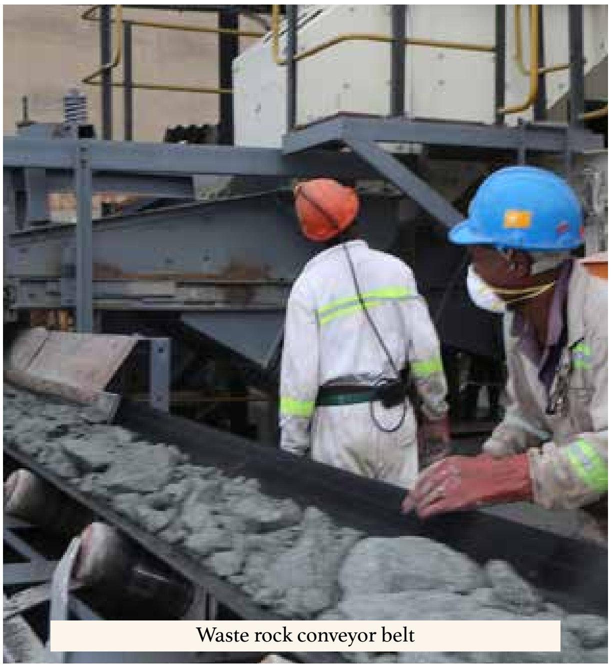
BUSINESS OVERVIEW

TROJAN MINE: SHAFT RE-DEEPENING AND TIE-IN PROJECT

Trojan Mine completed and successfully commissioned the Shaft Re-deepening Project during an 8 week-long shutdown, commencing on the 1st of March 2021, to the 27th of April 2021.

With the successful commissioning of the Shaft Re-deepening and Tie-in Project, the operation is transitioning from a high grade–low volume strategy to a high volume–low grade strategy with an expected upward trend in the nickel in concentrates produced. The ore tonnage produced is expected to go up while the head grade goes down in line with moving from a high grade-low volume to a high volume–low grade operation to ensure sustainability. The development metres are also expected to increase in order to support the increase in ore tonnes produced.

5 Level Hoist Chamber



Waste rock conveyor belt

MANAGING DIRECTOR'S OPERATIONAL REVIEW CONT'D

for the year ended 31 March 2021

SUSTAINABILITY

The Company undertook to enhance corporate sustainability to demonstrate our commitment to responsible mining and operations. We believe that this decision will enhance our business values and operational practices to deliver economic value while contributing to sustainable development. Adopting sustainability reporting using the Global Reporting Initiatives (GRI) Standards will recalibrate how we manage risks and opportunities associated with economic, environmental, social and governance aspects of our business. To this effect, we have produced our first annual report prepared in accordance with the GRI Standards to demonstrate our commitment to this decision. We strongly believe corporate sustainability will define our business values and the relations we have with our stakeholders.

ACKNOWLEDGEMENTS

I would like to thank the Board for the support that they have given and continue to give to the business and the Management team. Last but not least, I wish to thank the Management team and staff of BNC for their dedication and hard work in a Covid-19 induced challenging operating environment.

On Behalf of the Board
Bindura Nickel Corporation Limited

T. Lusiyano
Managing Director

30 June 2021

Cooling towers at BSR

DIRECTORS' PROFILES

Muchadeyi "Much" Ashton Masunda

Independent Non-Executive Chairman

Qualifications:
BL (Hons) (University of Rhodesia), Legal Practioner, Fellow & Accredited Commercial and Sports Arbitrator (Chartered Institute of Arbitrators and Mediators [UK])

Skills:
Business Law, Corporate Governance and Alternative Dispute Resolution.

Other Commitments:
Member of the Advisory Committee of the BMW Guggenheim LAB.
Panel of Arbitrators Member International Court of Arbitration for Sport

Nationality: Zimbabwean

Appointed as Board Chairman: 28 April 2017

Appointed as Director: 1 May 1986

David Hugh Brown

Non-Independent, Non-Executive Director

Qualifications:
CA (SA), B Com (UCT)

Skills:
Accounting, Financial Services and Consulting

Other Commitments:
Group CEO Kuvimba Mining House (Private) Limited (up to 31 August 2021)

Nationality: South African

Appointed: 1 April 2020

Jozef Clifford Behr

Non-Independent, Non-Executive Director

Qualifications:
B Com in Accounting (University of North West, RSA)

Skills:
Supply chain management and Commodity Hedging.

Nationality: South African

Appointed: 1 November 2019

Obey Chimuka

Non-Independent, Non-Executive Director

Qualifications:
MBA (MSU), Bachelor of Commerce in Marketing and Economics (UNISA), Bachelor's Degree in Politics and Administration (UZ)

Skills:
Agronomy Advisory, Contract Mining, Road Construction, Earth Works and Plant Hire

Other Commitments:
Managing Director Fossil Contracting

Nationality: Zimbabwean

Appointed: 1 November 2019

DIRECTORS' PROFILES

Craig Gerald Meerholz

Non-Independent, Non-Executive Director

Qualifications:
Bachelor's Degree in Transport and logistics, Post Graduate Diploma in Business Administration (SA)

Skills:
Road Freight Management and Commodity Trading

Other Commitments:
Executive Director Kuvimba Mining House (Private) Limited

Nationality: South African

Appointed: 27 February 2020

Thomas Lusiyano

Managing Director

Qualifications:
BSc (Hons) Degree in Mining Engineering (UZ), MBA (UZ), Master of Commerce in Strategic Management and Corporate Governance (MSU), Master of Commerce in Economics (MSU), Mine Manager's Certificate of Competence (Zim)

Skills:
Mining, Engineering, Business Leadership and Strategy

Nationality: Zimbabwean

Appointed: 9 November 2020

Charity Chiratidzo Jinya (Dr)

Independent, Non-Executive Director

Qualifications:
BA Econ, DBS (Honoris Causa), Fellow Institute of Bankers, Zimbabwe Fellow Chartered Institute of Customer Management

Skills:
Banking and Finance

Other Commitments:
Non-Executive Director Delta Corporation and Old Mutual Investment Group Zimbabwe (Private) Limited

Nationality: Zimbabwean

Appointed: 1 February 2021

Roseline "Rose" Nhamo (Mrs)

Independent, Non-Executive Director

Qualifications:
BBS (Hons) (UZ); MBA Nottingham Trent University (UK)

Skills:
Human Resources and Labour Arbitrator

Other Commitments:
Group Managing Consultant Distinctive Consultancy Services and Edudynamics Business School

Nationality: Zimbabwean

Appointed: 1 December 2020

DIRECTORS' PROFILES

Cynthia Dinka Malaba (Mrs)

Independent, Non-Executive Director

Qualifications:
CA (SA), CA (Z), Global Leadership Program (GIBS), B Acc (UZ), B Compt (UNISA), PG Dip Auditing (UNISA)

Skills:
Accounting, Audit and Risk Management, Supply Chain Management, Manufacturing, Sales and Distribution

Other Commitments:
Non-Executive Director Rainbow Tourism Group

Nationality: Zimbabwean

Appointed: 1 December 2020

Patrick Maseva-Shayawabaya

Finance Director

Qualifications:
CA (Z), B Acc (Hons) (UZ)

Skills:
Accounting, Finance, Taxation and Systems

Nationality: Zimbabwean

Appointed: 1 April 2021

COMPANY SECRETARY

Conrad Fungai Mukanganga

Company Secretary

Qualifications:
MBL (UNISA), B Acc (Hons) (UZ), Associate Member IoDZ.

Skills:
Corporate Governance

SENIOR MANAGEMENT

MARKETING MANAGER
Anne Sikhosana (Mrs)
MBL (UNISA), BSc Chemistry and Biochemistry (UZ), MSc Analytical Chem (UZ), MDP (UNISA).

FINANCE MANAGER
Simon Masvipe
FCCA; MBA (UZ); B Acc (UZ)

MINE MANAGER
Newton Gwatura
BSc Mining Engineering (UZ).

ENGINEERING MANAGER
Lazarus Ambress
BTech Electrical Engineering (UZ)

HUMAN RESOURCES MANAGER
Rumbidzai Mushati
MBA Strategic Leadership (UZ); BSc (Hons) Psychology (UZ); IPMZ

SHEQ AND METALLURGY PROJECTS MANAGER
Chawo Nkoma
MBA, ND Mineral Dressing & Metallurgy, ND Metallurgical Assaying

PROCESSING MANAGER
Itayi Marufu
BSc Met Eng (UZ); Post Grad Dip in Mgmt (GMDP - BTD and UZ)

TECHNICAL SERVICES MANAGER
Jacob Kasumba
BSc Geology (UZ)

PROCUREMENT MANAGER
Ngoni Tsvangiwa
ND Project Management, ND Accounting, Business & Management

LABORATORY MANAGER
Warren Tafirei Mchina
MBA (Solusi), BSc Chemistry & Mathematics (UZ)

INFORMATION TECHNOLOGY MANAGER
Tavengwa Mutsambwa
MBA (ZOU), BBS & Comp Science (UZ), CISM, CISA

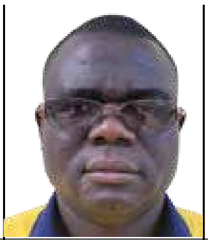
UNDERGROUND MANAGER
Philip Tafadzwa Karembera
MSc Mining Engineering (Wits, RSA)
BSc Mining Engineering (UZ)
Associate Member: SAIMM
.

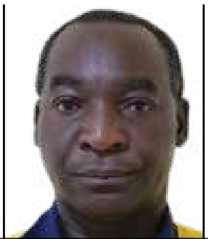

Anne Sikhosana (Mrs)
MARKETING MANAGER


Simon Masvipe
FINANCE MANAGER


Newton Gwatura
MINE MANAGER

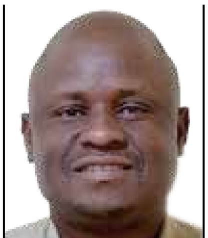

Lazarus Ambress
ENGINEERING MANAGER


Rumbidzai Mushati
HUMAN RESOURCES MANAGER


Chawo Nkhoma
SHEQ AND METALLURGICAL PROJECTS MANAGER


Itayi Marufu
PROCESSING MANAGER


Jacob Kasumba
TECHNICAL SERVICES MANAGER


Ngoni Tsvangiwa
PROCUREMENT MANAGER

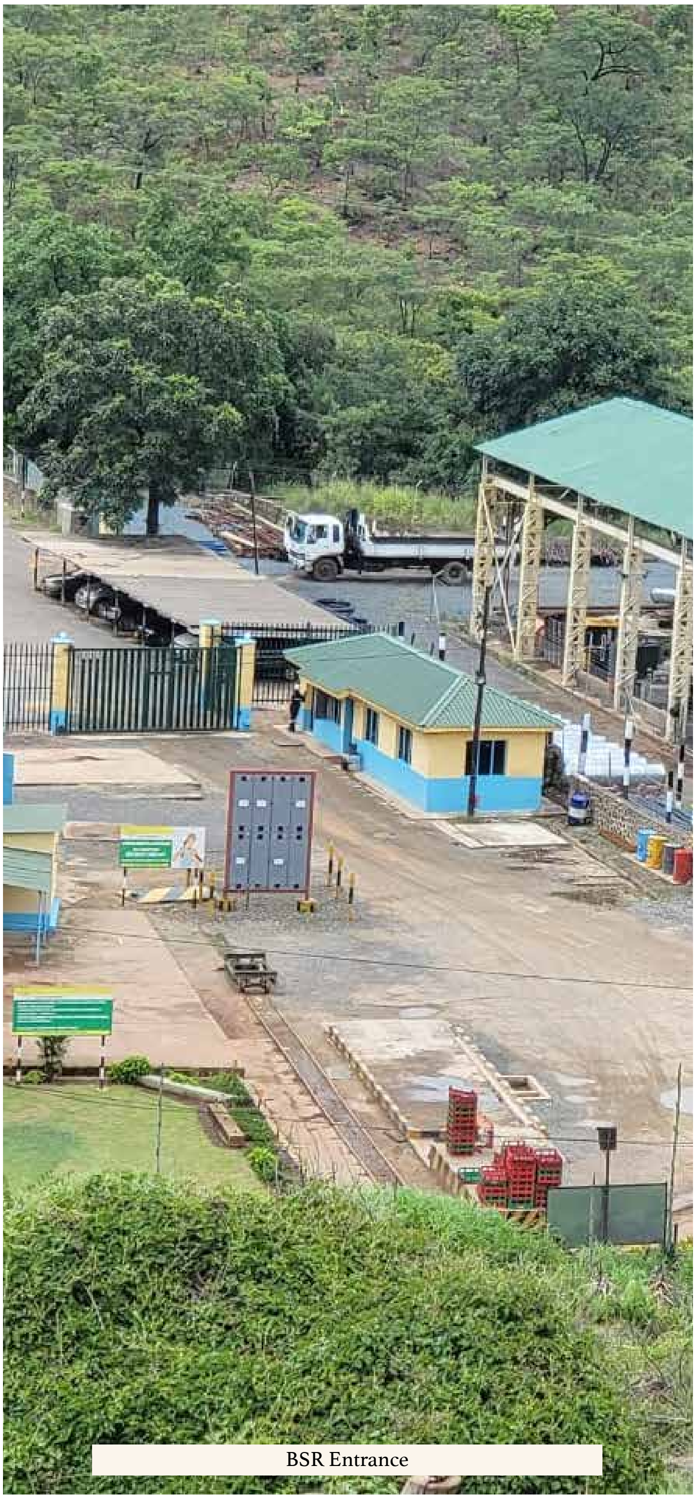

Warren Tafirei Mchina
LABORATORY MANAGER


Tavengwa Mutsambwa
INFORMATION TECHNOLOGY MANAGER


Philip Tafadzwa Karembera
UNDERGROUND MANAGER

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

CORPORATE GOVERNANCE



BSR Entrance

Bindura Nickel Corporation Limited recognises the importance of sound corporate governance and values. The Board ensures that the Company's and leadership's conduct is consistent with best practices in corporate governance and legal provisions. In the light of recent legal developments in Zimbabwe, BNC will continue to review and align its corporate governance practices with SI 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules, National Code of Corporate Governance in Zimbabwe ("ZIMCODE") and the Companies and Other Business Entities Act (Chapter 24:31).

BOARD AND RESPONSIBILITIES

The Company has a unitary Board that comprises executive and non-executive directors. All the directors bring to the Board a wide range of expertise which includes corporate governance, risk management, finance, law, business management, marketing, human resources management and mining as well as significant professional and commercial experience. The Board is responsible for formulating, reviewing and approving BNC's strategy, planning, budgets, major items of capital expenditure, acquisitions, risk, human resources and environmental management.

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.

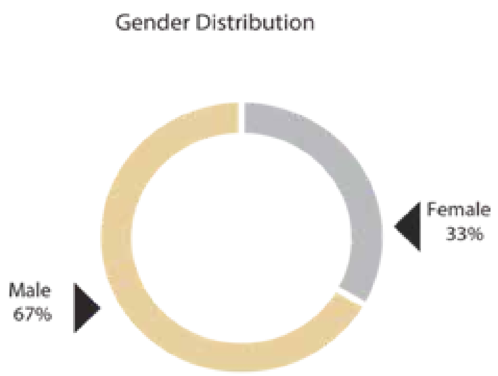
APPOINTMENT OF BOARD MEMBERS

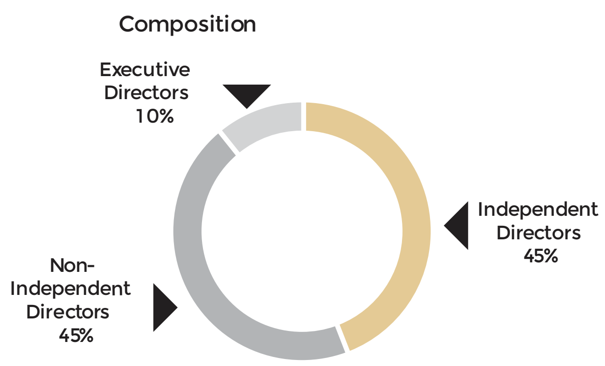
All non-executive directors are subject to retirement by rotation and re-election by shareholders at least once every three years, in accordance with the Company's Memorandum and Articles of Association. The Board as a whole approves appointments of new directors. The Nominations, Human Resources and Remuneration Committee (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.

BOARD COMPOSITION

As of 31 March 2021, the Board consisted of four Independent Non-Executive Directors, four Non-Independent Non-Executive Directors and one Executive Director. There were four Board appointments during the year. Mr T Lusiyano was appointed the Managing Director on 9 November 2020, while Mrs. C. D Malaba and Mrs. R Nhamo were appointed on 1 December 2020 respectively. Dr. C. C Jinya was appointed on 1 February 2021. There were two resignations from the Board during the year: Mr. C Fourie resigned on 8 July 2020 after serving for 9 months. Mr. B Manhando resigned as Managing Director on 9 November 2020, after serving in that capacity for 7 years.

Mr. P Maseva-Shayawabaya was appointed as the Finance Director effective 1 April 2021.





BOARD COMMUNICATION SYSTEMS

The Company values the need for constant dialogue with its stakeholders. To this end, the Company regularly holds Analysts' Briefings where updates are presented on its strategies as well as operational and financial performance.

DIRECTOR DECLARATIONS

In terms of the Company's Memorandum and Articles of Association, directors are required to declare their beneficial interest in the Company. The beneficial interests of the Directors in the shares of the Company are disclosed as follows:

Director's name	Number of Shares	Ordinary shares of ZW$4.3824 each 31 March 2021 %	Number of Shares	Ordinary shares of ZW$0.03 each 31 March 2020 %
Batirai Manhando (Resigned 9/11/2020)	19	-	1,222,985	0.10
Charity Chiratidzo Jinya	1,953	-	1,953	-
Cynthia Dinka Malaba	656	-	656	-
Muchadeyi Ashton Masunda	666,667	0.05	666,667	0.05

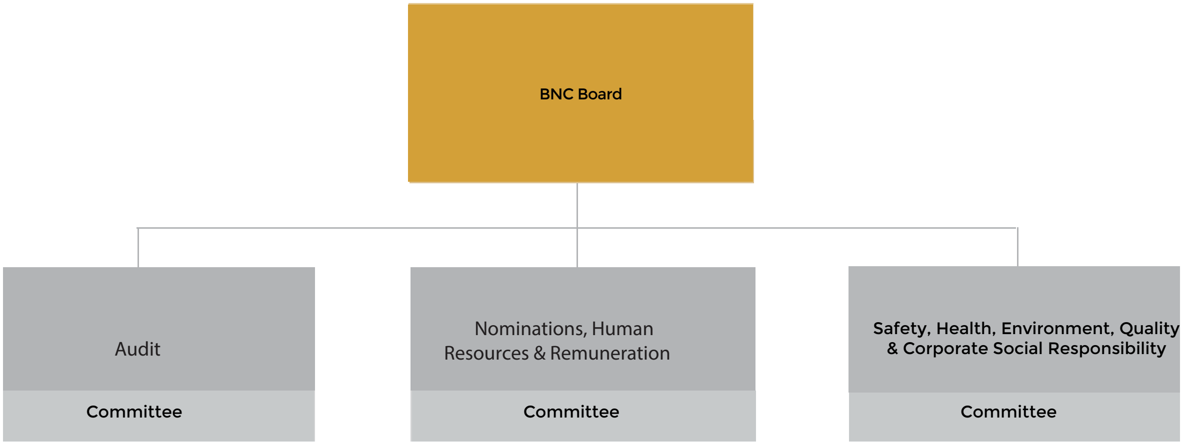
SHARE DEALINGS

Directors, officers or employees of the Company may not deal directly or indirectly in the Company's shares based on unpublished price-sensitive information regarding its business or affairs. In addition, no director, officer or employee may trade in the Company's shares during closed periods. Closed periods are from the end of the interim and annual reporting periods to the announcement of financial and operating results for the respective periods, and while the Company is under a cautionary announcement.

SUSTAINABILITY GOVERNANCE

The Board is responsible for approving sustainability targets submitted by the Safety, Health, Environment and Quality (SHEQ). Operational performance targets on sustainability issues are set by the Executive Committee in conjunction with Operations and Remuneration Committees. The Company manages sustainability matters through matrix and balanced scorecard system linked to risk management. All sustainability issues are escalated to the Board through relevant committees for timely decisions.

BOARD COMMITTEES



BNC has established an Audit Committee, a Nominations, Human Resources and Remuneration Committee (NHR & REMCOM) and a Safety, Health, Environment, Quality and Corporate Social Responsibility (SHEQ and CSR) Committee, whose details are provided below.

For directors appointed during the year, their attendance is only marked from the dates they were appointed.

Audit Committee
The Audit Committee meets at least three times 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.

Director	Designation	Committee Attendance	Comments
Mr. Jozef Clifford Behr	Chairman	3/3	
Mr. Muchadeyi Ashton Masunda	Member	2/3	Resigned 25 February 2021
Mr. David Hugh Brown	Member	1/3	Appointed 25 February 2021
Mrs. Charity Chiratidzo Jinya	Member	1/3	Appointed 1 February 2021
Mrs. Cynthia Dinka Malaba	Member	2/3	Appointed 1 December 2020

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

The Committee is also responsible for:
- (i) Determining and recommending to the Board, the Company's overall remuneration policy and monitoring the efficacy of the policy on an on-going basis;
- (ii) Determining and agreeing with the Board, the remuneration of the executive directors and senior management;
- (iii) Determining the objectives and targets for any performance-related bonus schemes; and
- (iv) Monitoring, reviewing and approving the remuneration framework for other senior employees.

CORPORATE GOVERNANCE

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

Director	Designation	Committee Attendance	Comments
Mr. Muchadeyi Ashton Masunda	Chairman	3/3	
Mr. Obey Chimuka	Member	1/3	Apologies
Mrs. Roseline Nhamo	Member	1/3	Appointed 1 December 2020

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

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 near our operations and ancillary activities. We have a Zero-Harm policy and we continue to focus on safety in the workplace as an ongoing commitment.

The SHEQ & CSR Committee continuously reinforces the Company's commitment to its employees and the environment in which they are employed. Reporting directly to the Board of Directors, this Committee ensures procedures and processes are in place to safeguard our employees in the workplace and the communities in which the Company operates. The Committee investigates BNC's impact on the environment and recommends ways of benefiting the locality.

Director	Designation	Committee Attendance	Comments
Mr. Obey Chimuka	Chairman	1/ 2	Apologies
Mr. Jozef Clifford Behr	Member	2/ 2	
Mr. Craig Gerald Meerholz	Member	1/ 2	Apologies
Mrs. Roseline Nhamo	Member	1/ 2	Appointed 1 December 2020

BOARD MEETING ATTENDANCE

The Board holds regular meetings at least four (4) times in a year. 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.

Director	Designation	Board Attendance	Comments
Mr Muchadeyi Ashton Masunda	Chairman	4/4	
Mr Batirai Manhando (former Managing Director)	Member	2/4	Resigned 9 November 2020
Mr Thomas Lusiyano (Managing Director)	Member	2/4	Appointed 9 November 2020
Mr Jozef Clifford Behr	Member	4/4	
Mr David Hugh Brown	Member	4/4	
Mr Obey Chimuka	Member	2/4	Apologies
Mrs Charity Chiratidzo Jinya	Member	1/ 4	Appointed 1 February 2021
Mrs Cynthia Dinka Malaba	Member	2/4	Appointed 1 December 2020
Mr Craig Gerald Meerholz	Member	4/4	
Mrs Roseline Nhamo	Member	2/4	Appointed 1 December 2020

DIRECTORS' REMUNERATION REPORT

The policy on directors' remuneration is that the overall remuneration package should be sufficiently competitive to attract and retain high calibre individuals, 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 Nominations Human Resources and Remuneration Committee (NHR & REMCOM) determines the contract terms, basic salary and other aspects of remuneration for each of the executive directors, including performance-related share options, bonuses, pension rights and any compensation payments.

EXECUTIVE REMUNERATION PACKAGES

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

Share Options

The Group operates an equity based share option scheme, which was approved by shareholders, for employees. 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 by resignation or dismissal, 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.

Pension

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

Board 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 three (3) months' notice. The non-executive directors do not have employment contracts.

STATEMENT OF DIRECTORS RESPONSIBILITY

The directors are responsible for the maintenance of proper accounting records and the preparation, integrity and fair presentation of the financial statements of the Group. The financial statements presented on pages 95 to 137 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and include amounts based on judgements and estimates made by management.

The Board acknowledges that it is ultimately responsible for the system of internal financial controls established by the Group and places 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.

Based on the information and explanations given by management, the directors believe 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. The Ernst & Young Audit Report is presented on pages 91 to 94.

The financial statements were prepared by the Bindura Nickel Corporation Limited Finance Department under the supervision of the Finance Director, Mr Patrick Maseva-Shayawabaya.

T. Lusiyano
Managing Director

24 June 2021

J. C. Behr
Audit Committee Chairman

24 June 2021

BUSINESS ETHICS AND COMPLIANCE

ETHICAL VALUES

At BNC, how we achieve our objectives as a company, is just as important as our achievements. This is why integrity is a key value in our business. We expect everyone: employees, directors and business partners to be representatives of our high ethical standards. We have created an environment in which our employees are not only expected to live up to our standards, but also freely identify and speak up against any form of unethical behaviour. This extends beyond our internal processes but cuts across our value chain. We seek to be a positive influence, helping in the elimination of bribery and corruption. We believe a culture of ethics cultivates trust which in turn results in improved performance in our business, while strengthening our relationships with various stakeholders.

We encourage our employees to make good judgement and use common sense expected in all business dealings. Through this code, we demand the highest standards of integrity and ethical behaviour. The business has platforms for detecting and preventing any forms of unethical behaviour to ensure that our operations are aligned with our values.

ANTI-CORRUPTION

The business has zero-tolerance for corruption. This commitment is encouraged in our business conduct and is expected of all our employees and business partners. We prohibit any authorisation or promising of anything of value directly or indirectly to anyone as a way of encouraging them to perform their work disloyally or otherwise improperly.

STATEMENT OF COMPLIANCE WITH LAWS AND REGULATIONS

The BNC operations are subject to a variety of national laws in such diverse areas as employee health and safety, employment, taxes, environment, mining, corporate governance, listings and disclosures, among others. Failure to comply with such regulations exposes the Company to criminal and/or civil sanctions and fines with possible implications on corporate reputation. Changes in regulations could also have a significant impact on the cost of doing business.

BNC is committed to complying with laws and regulations in Zimbabwe and other regional and international requirements. The business has put in place a Corporate Services Department to handle compliance issues. The Department is extensively involved in identifying and monitoring the business compliance risks exposure while ensuring that BNC remains aware of and submissive to all applicable laws and regulations.

Compliance Management

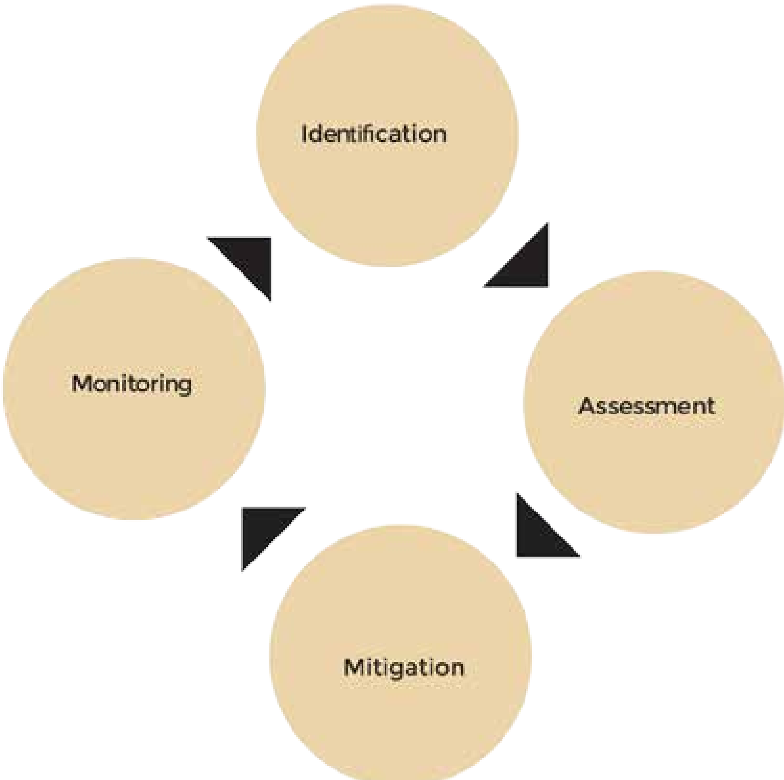
The Company has a Compliance Risk Register and any identified risks are assigned to Departments for monitoring, enforcing and evaluation. These processes are monitored through daily, weekly, monthly and annual reporting systems. The business then holds quarterly Board Meetings, through which sections, departments and the Company itself, report on compliance performance, versus pre-set compliance parameters. BNC also subjects itself to audits from time to time. It informs its various stakeholders about its compliance status through the Annual Report and signposts at the workplace. BNC believes that during the financial year under review, it complied with applicable laws and regulations.

RISK MANAGEMENT FRAMEWORK

The identification and management of risk is key to the success and achievement of our strategic and operational goals. It enables us to prevent risk occurrence and the potential negative implications. We believe that coordinated risk management helps us understand our full risk exposure, thereby enabling us to rank and prioritise risks that require urgent attention. 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.

RISK MANAGEMENT FRAMEWORK

Our risk management framework is made up of four pillars which involve: (1) identification of risks, (2) assessment of risks, (3) mitigating risk implications and (4) monitoring.



Principal Risks And Mitigation

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.

TOP RISKS FOR BNC

Risk	Risk Description	Threats	Mitigation
Foreign Currency	Uncertainties associated with trading in an environment affected by sanctions	Sustainable Profitability	Continuosly monitor the financial environment and adapt accordingly.
Nickel Price	Falling Nickel Price	Financial loss	Mine plan for continuous extraction of economical grades. Scale down operations. Continuous review of break-even price. Explore nickel price hedging through the Group.
Obsolete Equipment	Unreliable and obsolete plant, equipment and Enterprise Resource Planning (ERP) system	Business Interruptions and Downtime Risk	Implement equipment replacement and rebuild plan. Condition-based monitoring and preventive maintenance.
Pandemic/ epidemic	COVID-19 Pandemic	Business Interruptions and Downtime Risk	Continuous scanning of the environment for health risks and disease outbreaks. Identify significant risks to the business and implement control measures. Adherence to World Health Organization (WHO) and national health guidelines, plus statutory regulations. Creating backup teams for essential services, operations and medical personnel.
Insurance Spares	Absence of Insurance spares	Business Interruption	Avail funding towards procurement of insurance spares. Implement insurance spares procurement plan. Continuously monitor and maintain stock levels.

RISK MANAGEMENT FRAMEWORK

ENVIRONMENTAL RISK MANAGEMENT

We operate in an industry that is highly regulated given the nature and extent of mining impacts on the environment. BNC is committed to achieving Zero Harm to the environment. Therefore, complying with all environmental regulations is important to us. Most of the environmental compliance risks are localised in our operations. However, other business relationships, such as the conveyance of hazardous materials can also create risks for us. We identify our compliance risks through the aspect and impact register that is used to rank significant areas of potential impacts. We also rely on the quarterly inspections conducted by the Environmental Management Agency (EMA), third party audits and legal plans to assess our compliance risks. The business has an Environmental Management Plan aimed at conserving environmental resources while preventing adverse impacts on the environment.

OPERATIONAL RISK MANAGEMENT

We operate in a business environment where enterprise risk requires effective leadership and management. Our operational risks are associated with compliance, systems, ethical conduct, reputation and execution. The risk framework is managed together with a balanced scorecard system which allows us to effectively mitigate operational risks. The Company has policies and procedures in place under the oversight of operational managers.

FINANCIAL RISK MANAGEMENT

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. In addition, our operations are exposed to currency, interest rate, credit and liquidity risks. The Group has a strong treasury management system that allows effective management of financial risks under the oversight of the Finance Director. More details are contained on pages 129 to 131 in the financial statements.

BNC supported Trojan Primary School with infrastructural development.

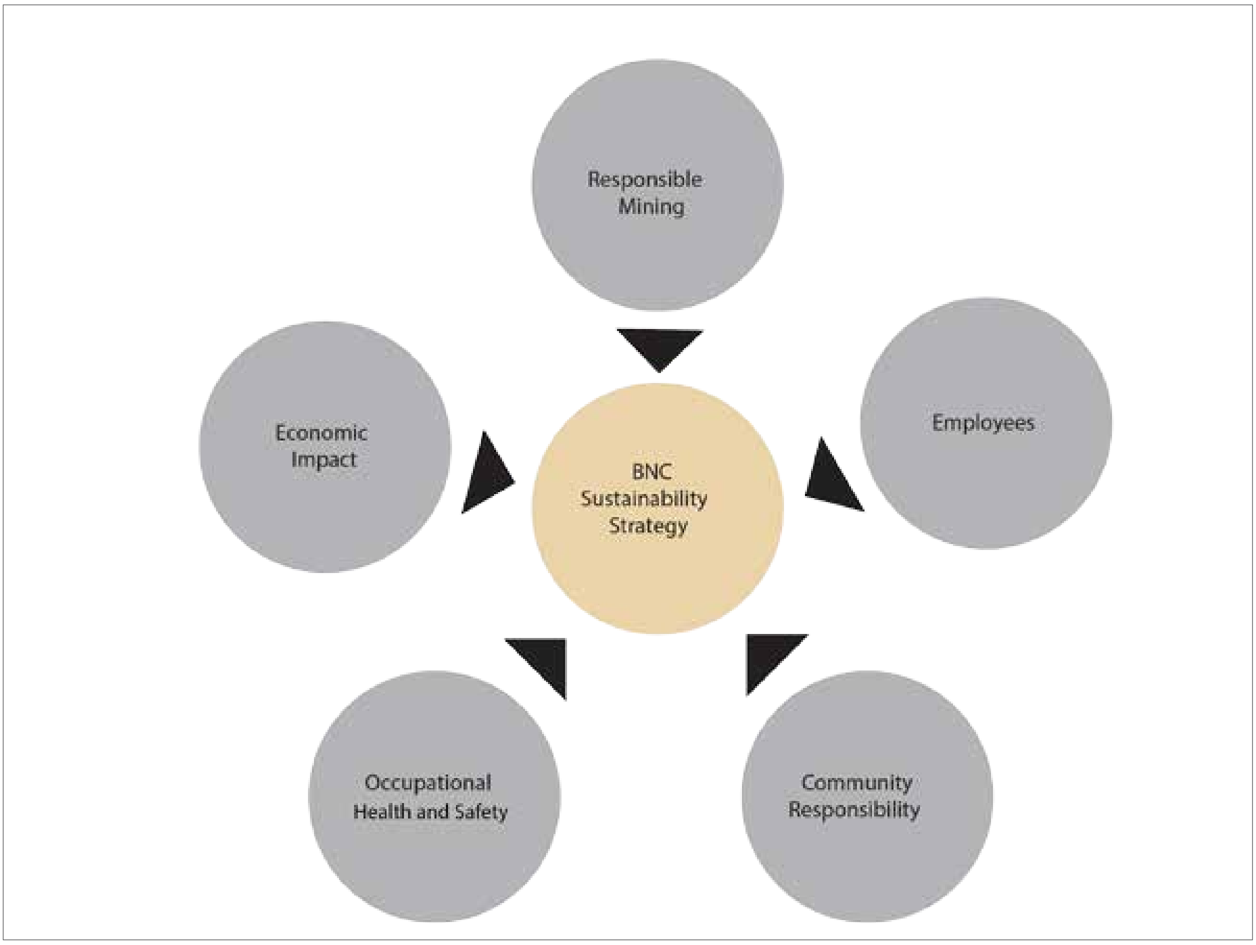
08 SUSTAINABILITY

SUSTAINABILITY

SUSTAINABILITY STRATEGY

At BNC, sustainability is core to our mission as an extractive and export-orientated company. Our sustainability strategy is driven by meeting international standards in how we manage environmental and social impacts and opportunities in our operations. In this regard, BNC adheres to ISO 14001:2015, ISO 17025:2017 and ISO 45001:2018 in which we are certified and accredited. Maintaining the standards allows us to supply sustainably mined nickel concentrate, a key resource for the development of renewable energy. During the financial year, we elected to implement the Global Reporting Initiatives (GRI) standards to guide how we measure, manage and disclose our sustainability performance.

Our sustainability strategy is structured into the following themes:



RESPONSIBLE MINING

We recognise that our operations have environmental impacts. As such, we manage our mining value chain by adhering to the requirements of our ISO 14001 certification and national environmental laws and regulations. Our major environmental impacts are associated with effluent discharge, hydrocarbon spillages, sewer handling, biodiversity and water and electricity usage. We have systems in place to minimise negative impacts.

EMPLOYEES

Our employees are the bedrock of our success, providing us with the necessary skills and labour in our business operations. We are committed to providing competitive remuneration, a safe working environment and safe working conditions, guided by our human capital management policy. We strive to uphold employees' rights in line with International Labour Organisation (ILO) standards, the Universal Declaration of Human Rights and national labour standards.

SUSTAINABILITY STRATEGY

COMMUNITY RESPONSIBILITY

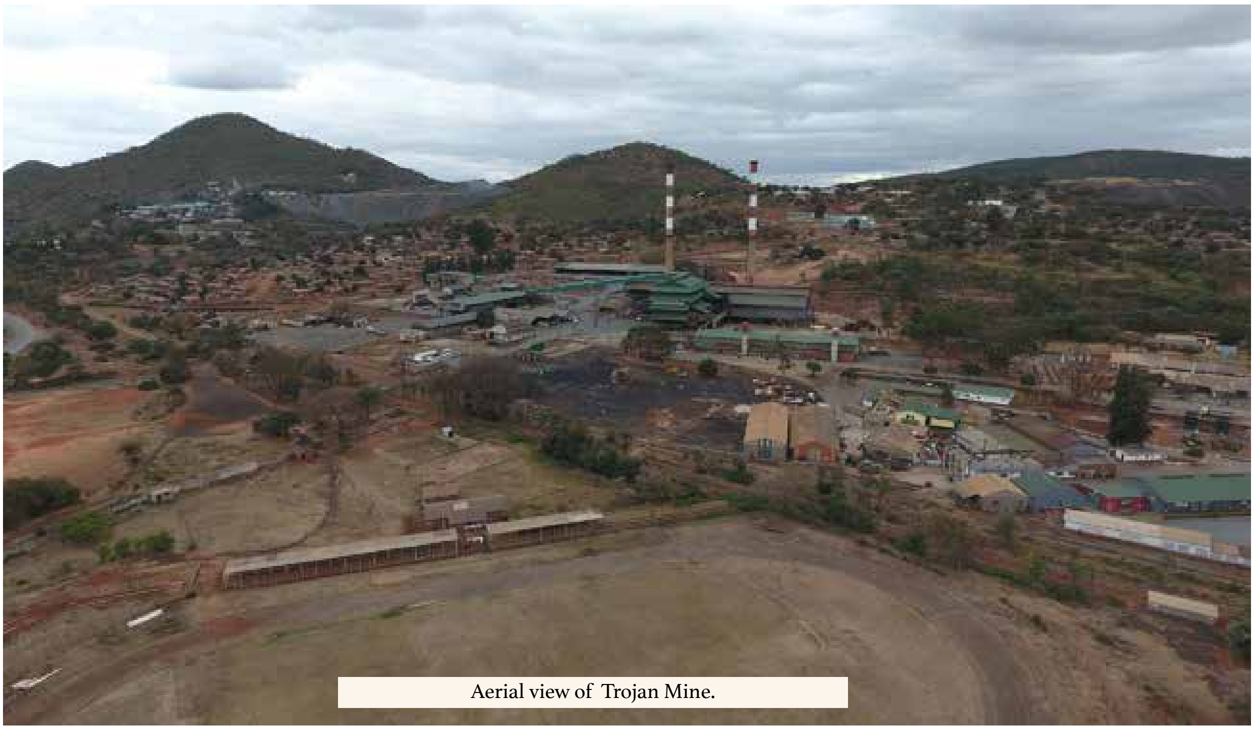
Community development is a significant pillar of our business, helping to extend our impacts beyond nickel mining. We strive to align our success with the success of communities around our mining operations. As such, we constantly engage with local leaders to understand community concerns and needs. Every year, we commit budgetary support towards social and developmental needs in our communities. Where possible, we also respond to natural disasters when these are experienced by our nation.

OCCUPATIONAL HEALTH AND SAFETY

Mining is an inherently risky activity that can involve ground instability, underground fires, failure of machinery and human error threatening the safety of employees and other stakeholders. BNC makes every effort to ensure that risks are minimised. This is achieved by ensuring that mining operations are conducted with the highest possible degree of safety, efficiency and quality, that workforce training and education are maintained and by the prompt reporting of incidents to management. BNC aims to achieve zero harm by strongly adhering to our ISO 45001 certification and the national regulations.

ECONOMIC IMPACTS

Mining plays a significant role in sustainable development in Zimbabwe. It accounts for at least 60% of export earnings. BNC recognises the significance of its operations to the economic success of our country. As such, we pay close attention to value maximisation in our nickel extraction and value chains. The Shaft Re-deepening and Tie-in and Smelter Restart projects are some of the initiatives we have in place to foster value creation and resource beneficiation. In addition, we also support local businesses, suppliers and contractors by promoting local procurement in our supply chain.



Aerial view of Trojan Mine.

STAKEHOLDER ENGAGEMENT

The Group recognises the significance of the impacts that our operations and decisions have on our stakeholders. This drives us to pay attention to their concerns. Our approach is to build shared values that allow us to identify potential risks and opportunities through our stakeholder engagement. Our philosophy is to build a shared vision with our stakeholders as business partners.

Identifying Stakeholders

The Group interacts with a wide range of stakeholders who have significant interests and impacts on our business. We recognise stakeholders as those whom our business interacts with or impacts and those individuals or groups who can significantly affect our ability to achieve our objectives. Based on this classification, we identified our stakeholders under the following categories:

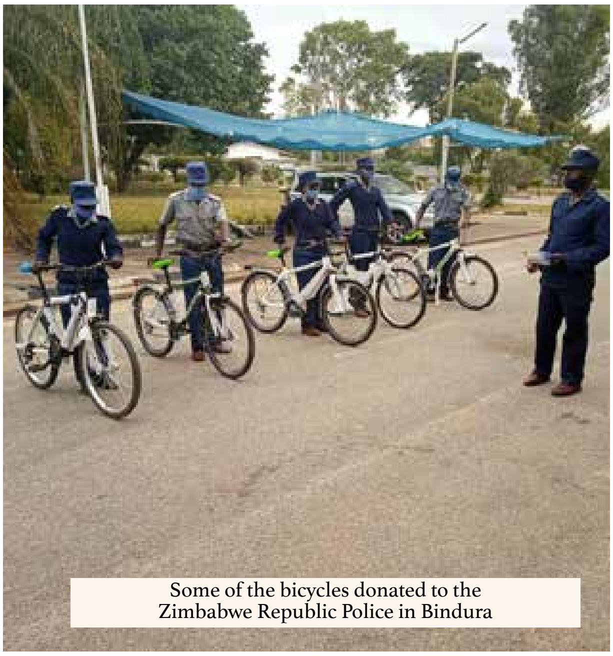
Internal Stakeholders

- Shareholders
- Investors
- Employees
- Management

External Stakeholders

- Civil society/NGOs
- Government and Regulators
- Customers
- Suppliers
- Local Communities

CSR engagement between BNC and one of the universities in Bindura



Some of the bicycles donated to the Zimbabwe Republic Police in Bindura

SUSTAINABILITY ENGAGEMENT

ENGAGING WITH OUR STAKEHOLDERS

The business places great emphasis on interacting with stakeholders to build sustainable relations. Stakeholder engagement is a shared responsibility across our business. As such, each department is charged with the responsibility to engage with the stakeholders that they interact with, using various approaches and channels. During the financial year, our stakeholder engagement was limited mostly to virtual meetings due to the COVID-19 pandemic. Below are the stakeholder engagement activities carried out during the year:

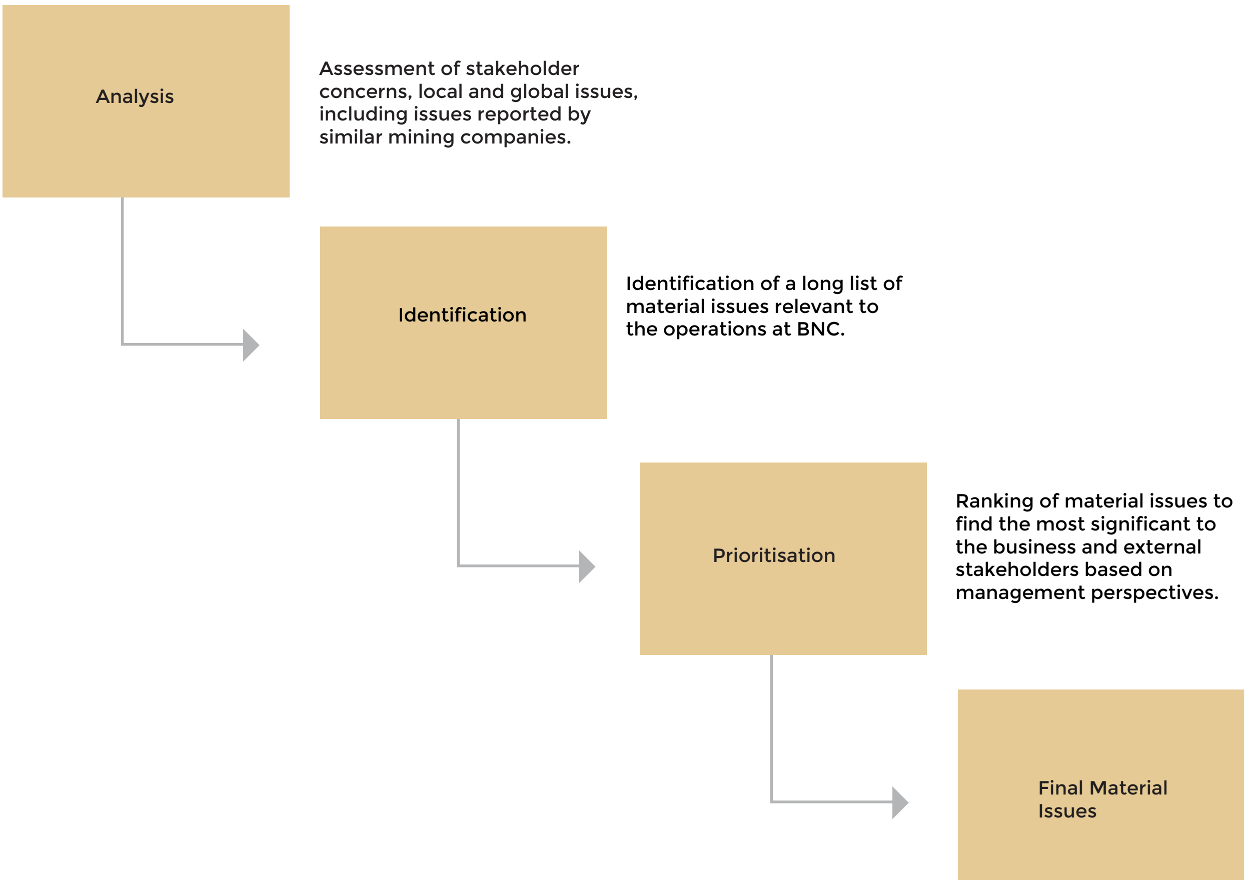
Stakeholder	Issues Raised	Our Response	Engagement Channels	Frequency
Employees	• Salary reviews, transport allowance and overtime payment • Employee welfare (study fees, housing schemes, renovations and borehole drilling)	• Salaries and conditions of service are reviewed continuously Proactive resolution of issues as and when they are raised	Employee Engagement Surveys, Works' Councils and Liaison Meetings	Monthly
Civil Society	• Disaster support	Provision of support	Media, Meetings and Reports	Ad hoc
Suppliers	• Cash on Delivery • 30-day credit • Prepayments	Continued engagement with suppliers	Emails, telecommunications. One on One meetings.	Ad hoc
Industry	• Participation in First Aid competitions • Subscriptions to the Chamber of Mines of Zimbabwe • Performance Benchmarking	Got involved in competitions Complied with obligations. Shared relevant information	Competitions, reports and site visits	Quarterly and Annually
Government and Regulators	• Compliance with COVID-19 regulations • Tax payments • Compliance with environmental management and mining regulations • Compliance with Exchange Control regulations	Strengthened preventative and control measures Compliance with statutory payments and regulations	Government Publications Social Media Consultations	Monthly
Shareholders and Potential Investors	• Alignment of operations with shareholder needs	Increased engagements with shareholders. Publication of company reports	Newspaper publications, virtual meetings, reports and emails	Quarterly, Half Yearly, Annually
Customers	• Information on the quality of nickel concentrates	Sharing of Material Safety Data Sheets (MSDS) with customers	Emails	per requests
Local Communities	• Provision of COVID-19 supplies and equipment • Road maintenance • Veld fire control • Upgrading of local primary school • Sporting facility upgrading	Provided face masks, testing, treatments and vaccination support Provided waste rock for road maintenance Created fire-guards Provided maintenance and servicing of the sporting facilities	Meetings, Consultations, Reports, and local community awareness	Quarterly

MATERIALITY ASSESSMENT

In line with the reporting requirements of the GRI Standards, we conducted our materiality assessment process to enable us to identify material economic, social and environmental topics to report to our stakeholders. This process was conducted initially to identify issues relative to our operating environment, the mining sector and global developments that define our sustainability context.

The approach to materiality was designed to identify issues significant to BNC, its internal and external stakeholders. The identified issues were matched with sustainability topics for reporting. Below is the materiality process:

Materiality process



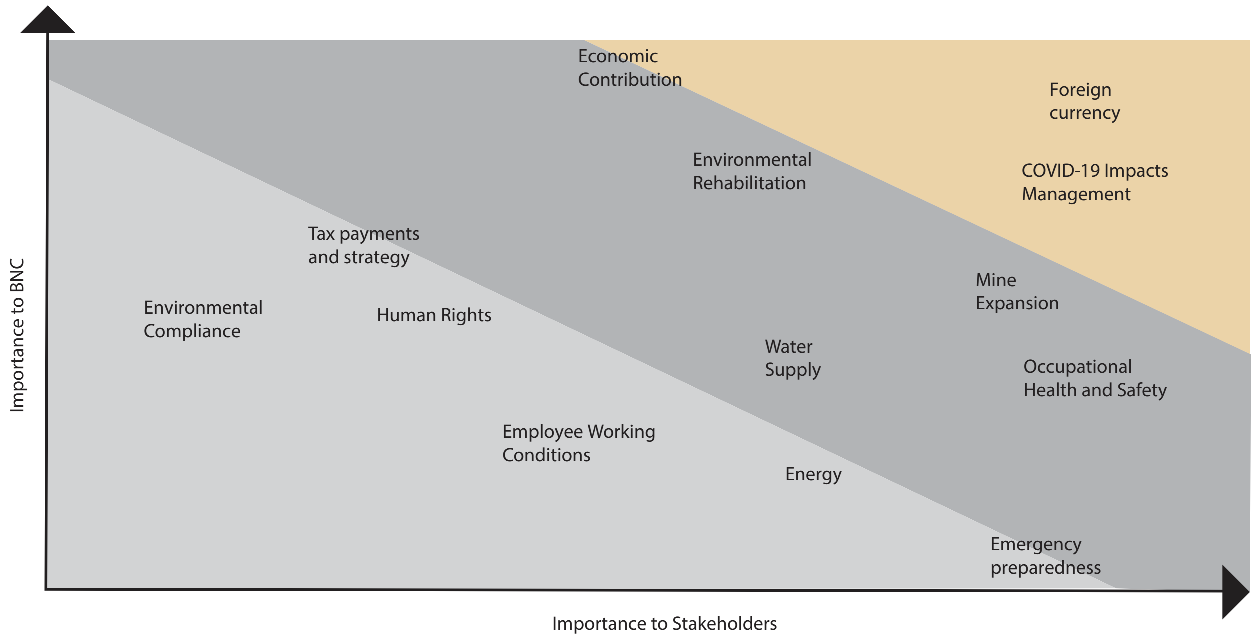
MATERIALITY ASSESSMENT

Material topics from the survey were categorised as follows:

Environmental	Social	Economic
• Environmental Rehabilitation.	• Occupational Health and Safety.	• Foreign Currency.
• Water.	• Employee working conditions.	• COVID-19 Impacts Management.
• Energy.	• Human Rights.	• Mine Expansion.
• Environmental Compliance.	• Emergency Preparedness.	• Economic Contribution.
		• Tax Payments and Strategy.

The material topics were analysed to provide a Materiality Matrix below:

Materiality Matrix



REPORTING PRACTICE

REPORTING PRACTICE

BNC elected to prepare this annual report in an integrated format to enable stakeholders to gain a holistic appreciation of its performance and impacts. The sustainability information was prepared using the Global Reporting Initiative (GRI) standards as adopted by the Group.

REPORT BOUNDARY

The report covers information for the operations of Bindura Nickel Corporation Limited and its subsidiaries. Nevertheless, the report reflects mostly the activities at Trojan Mine since the other subsidiaries are either under care and maintenance or still at project stage.

SUSTAINABILITY DATA

The report used qualitative, quantitative data and information to explain how the Group performed on significant issues considered material for reporting. Information used for this report was extracted from company records, policies, and the respective personnel in charge of the topic areas.

REPORT PERIOD

The reporting period for the Group spans over 12 months from 1 April to 31 March each year. There were no changes to the reporting period.

REPORT DECLARATION

The Group management takes responsibility to confirm that this report was prepared in accordance with applicable GRI Standards – 'Core' option. A GRI Content Index is contained on pages 143 to 146.

ASSURANCE

The Group utilises various stakeholders and experts to assess and assure aspects of our reporting. This is provided by management, internal audit, the Board, external consultants and service providers. For this report, Ernst & Young Chartered Accountants (Zimbabwe) assured the financial statements while the Institute for Sustainability Africa (INSAF) validated the report for compliance with GRI Standards reporting requirements.

09 RESPONSIBLE MINING OPERATIONS

RESPONSIBLE MINING

The production of nickel has direct implications on the environment which is our core source of ore. The extraction and production process degrades and reduces the aesthetic value of the land while impacting biodiversity. The business is cognisant of these risks and ensures extraction is done responsibly and sustainably. Below are our nickel resource base and extraction statistics:

Mineral resource base

	Units	2021	2020
Proved And Probable Resources	Tons	2,760,000	2,730,000
JORC Measured And Indicated Resources	Tons	4,290,000	3,680,000
Resource Years At Current Production Rate	Count	10	8

Mineral resource base

	Units	2021	2020
Production Rate	T/Year	412,605	436,013
Nickel In Concentrate Produced	Tons	5,363	5,720
Nickel In Concentrate Sold	Tons	5,496	5,685

MINING WASTE MANAGEMENT

Our mining processes generate significant amounts of waste. As such, we have waste management processes aligned with regulatory requirements and international best practices. The bulk of waste generated is largely non-hazardous and composed of waste rock and scrap metal. Our processing plant produces slimes waste and effluent water while the village and office produce mostly household waste, paper and plastics. Our key waste streams and management are below:

Scrap Metal, tyres and used oil	Sold to approved and registered dealers.
Village organic waste	Buried in lined underground trenches.
Slimes	Pumped to the slimes dams and recycled back to the plant.
Waste rock	Disposed at the waste rock dump and used for general road construction.
Hazardous waste	Stored at the Iron Arsenic bay & licensed emission flues.

Waste generation and disposal method

Waste Type	Disposal Method	Unit	2021	2020
Hazardous waste	Incineration (without energy recovery)	Tons	0.51	0.43
	Storage at Iron Arsenic Bay	Tons	142.05	142.05
Non- Hazardous	Incineration (without energy recovery)	Tons	0.04	0.03
	Landfilling	Tons	134.28	128.57

Waste mitigation measures

The business recovers 50-90% of injected fresh oil while rehabilitating oil-contaminated soils. In addition, underground and surface water sources are kept within legal limits while minimising the discharge of effluent and sewage into the environment to zero. During the reporting year, the business installed additional garbage receptacles along the main road to every station along the main highway between Bindura Town and Trojan Nickel Mine Limited and at strategic points in the plant.

MINE EXPANSION

MINE EXPANSION

The growing demand for nickel due to the increased call for battery raw materials creates a significant opportunity for us at BNC and our stakeholders. The demand for batteries coincides with the global move towards a greener economy which makes nickel one of the most sought-after raw materials in the world. The business is committed to taking advantage of the surge in demand as one of the few leading nickel producers in Africa. Expanding our current mining operations enables us to meet this demand while increasing the life of the mine, ensuring high productivity, and improving efficiencies.

Our mine expansion goals are:

- To fully utilise plant capacity of 1 000,000t/year (current capacity utilisation: 48%).
- Ramp up development from 3,000m to 8,000m over the next 5 years to achieve at least 10,000t of nickel production per annum.
- To drill 7,000m of exploration diamond drilling for resource extension by end of FY2022.
- To progressively rehabilitate waste rock dump as per BNC mine closure plan.

In line with increasing the capacity of the mine we completed the Shaft Re-deepening Project. We also invested in the acquisition of a new exploration drill rig and replaced old equipment. The mine is on course in achieving its goals.

ENVIRONMENTAL REHABILITATION AND MINE CLOSURE PLANNING

The business is required to progressively rehabilitate operational sites to conditions considered acceptable to the relevant authorities. This is significant in order to protect the health and safety of the mine site after closure, as well as providing a productive use of land after closure or a return to the original or acceptable condition which can provide social benefits to local communities post mining operations.

Management Approach

Mine closure plans are reviewed and updated every two years by an external consultant. The exercise often involves assessments on reclamation, sustainability plans and assets evaluation. The report findings inform the business closure plans. During the year, the Company paid all claim inspection fees and adhered to all regulations governing mine closure plans. Rehabilitation efforts currently in place include:

- Construction of pollution control dams.
- Re-vegetation through tree planting.

Tree Planting

Indicator	Unit	2021	2020
Trees Planted	Count	600	900

Evaluation of Rehabilitation Plans

The business conducted mine closure plan assessments through external audits, Ministry of Mines and Mining Development and Environmental Management Agency (EMA) inspections. The results showed that closure plans implementation needs to be integrated into the business for suitable and effective monitoring. As such, the business is currently enhancing its implementation plans through a progressive rehabilitation and stakeholder involvement programme.

Part of the mine expansion project at Trojan Mine

10 SUSTAINABILITY PERFORMANCE & IMPACTS

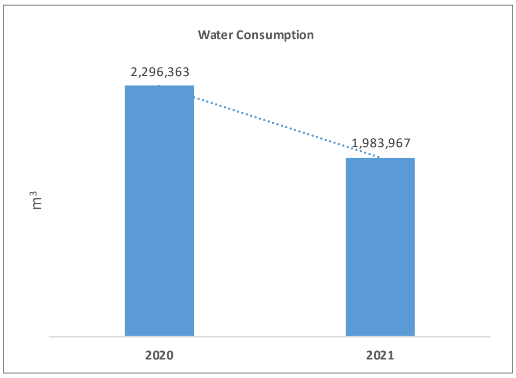
We recognise that our operations create positive and negative impacts in our mining and business value chain. We measure these impacts by evaluating our performance against key performance indicators (KPI) and by being positively below prior year performance. We have management approaches and policies to guide operational practices in key result areas (KRA). To that effect, we evaluate our management approach on their suitability to deliver desired impacts.

WATER

Water is a significant resource for our operations whose adequacy and quality is essential. We draw water from sources shared with nearby communities. Therefore, water resource optimisation is critical for our business. Our water usage has the potential to contaminate nearby water sources, making them unsuitable for human consumption. Our extraction and beneficiation of ore require water, hence, management becomes crucial.

Management of Water

As part of our responsible extraction, we are committed to safe and efficient abstraction, consumption and discharge of water. The business relies on metering to assess water usage while maximising the use of recycled water options. On average $1.5m^3/t$ of raw water is used for mineral beneficiation compared to $3.6m^3/t$ of recycled water. We also conduct quarterly water analysis from our operational slime's dam, as well as the sewage facilities, for levels of dissolved solids in compliance with regulations.
Surrounding water streams and boreholes are analysed for contamination. Regular, inspections and maintenance are conducted to manage any water wastages and burst pipes. These management actions are documented in the Safety Health and Environmental policy as expected by the Zimbabwe National Water Authority (ZINWA) Act (Chapter 20:25) and ISO 14001 (2015) Environmental Management Standard. The business has a mandatory water abstraction agreement with ZINWA which requires it to limit consumption to $180{,}000m^3$ per month.



Water Discharge		
Water Discharge by Quality	**2021 m^3**	**2020 m^3**
Other water (TDS >1000) (West and east ponds estimates)	3,110	3,110
Water Discharge by Level of Treatment	**2021 m^3**	**2020 m^3**
No treatment (Water in tailings to slimes dam)	1,467,828	1,578,457

WATER (continued)

EVALUATION OF WATER MANAGEMENT PERFORMANCE

The business manages water as follows:

Internal or external auditing or verification	Measurement Systems	External Performance Ratings
DQS audits – External SHEMS internal audits Inspections.	Water Balances Flow meters Quarterly EMA Analyses.	DQS Non-Compliance for over abstraction.

The DQS audit findings were that the operation is over abstracting water as a non-compliance was issued during an external audit with DQS Management Systems Solutions. There was also an observation that meters for recycled water were not in place. Given these observations, the business concluded that the operations have inadequate meters to efficiently monitor water usage and losses. Flow meters were ordered and after installation, there is an expectation of changes in performance and closing of future non-compliances thereof.

Trojan Mine water recycling tanks

Trojan Mine recycled water reservoir

ENERGY

ENERGY

BNC operations are energy-intensive in areas such as hoisting, drilling, crushing and milling of ore. This, coupled with the high cost of energy, electricity supply demand and faults, explains our strong interest in efficient energy supply management. We also recognise the impacts mine expansion and mineral beneficiation has on electricity demand and opportunities for alternative energy sources in non-core areas. As such, we are considering having non-core areas powered by solar energy.

MANAGEMENT APPROACH

The business has several tools for managing energy which include energy metering at various points in the energy distribution systems, carrying out energy audits and identifying high energy-consuming equipment. In addition, we use power factor correction equipment to reduce energy losses.

To manage our energy impacts we have set goals as below:

- Reduce energy costs by 5% by May 2022.
- Use solar power for the supply of environmentally clean energy, and also to reduce dependency on the Zimbabwe Electricity and Supply Authority (ZESA) for energy supply by May 2022.

The business has made significant headway towards its solar plans as it has awarded a Solar Power Plant Project contract for the construction of a solar farm. We rely on measurements systems, stakeholder feedback, internal and external auditors to assess our energy management performance.

Energy consumption

Energy Source	Units	2021	2020
Electricity	KwH	66,158,926	64,305,863
Liquid Fuels			
Diesel	Litres	775,911	476,362
Petrol	Litres	205,458	210,403

BNC power station

EMISSIONS

EMISSIONS

Our operations have significant impacts on air quality. The key emissions we release into the air are mainly greenhouse gases, nitrogen oxide and sulphur oxide – however, these emissions are considerably negligible given that our smelting operations are currently on care and maintenance. Our current sources of Nitrogen Oxide (NOx) and Sulphur Oxide (SOx) are mainly the laboratory stakes, emergency generators, incinerators and the dust scrubber unit. Despite the limited quantities of emissions released, managing these emissions remains a priority for regulatory compliance permitted on our sites and achieving international best practices.

During the reporting period, we conducted quarterly air quality assessments as required by the Air Pollution Control Regulations: SI 72 of 2009. Our assessment showed that we were in the blue EMA band, blue being the lowest of all emissions bands hence indicating negligible contributions to air pollution. Below are our emissions:

Significant Air emissions	Unit	2021	2020
NOx (Nitrogen Oxide)	Kg	354.40	351.67
SOx (Sulphur oxide)	Kg	158.47	80.50

We evaluate our air emissions every 2 years through management reviews, EMA field inspections and legal audits. We also benchmark with leading companies and our findings however indicate that our emissions are insignificant.

BSR cooling towers

CLIMATE CHANGE

Climate change remains one of the greatest challenges of our time. BNC closely monitors local and global initiatives to manage and reduce the impacts of climate change. Our business is also significantly affected by climate change when droughts occur and reduce availability of water for our operations. Currently, we are working to strengthen the management of climate change through improvements in energy efficiency and savings. The business is also working to put in place climate change management policies in the next year.

CARBON FOOTPRINT

BNC calculates its carbon footprint by converting its energy consumption into carbon dioxide(CO^2) equivalency using internationally accepted conversion factors due to the unavailability of nationally adopted standard conversion factors for Zimbabwe.

Scope 1: Direct Emissions

These are direct emissions from operations that are owned or controlled by BNC, primarily emissions from fuel consumed by generators and vehicles at our operations. Scope 1 refers to direct greenhouse gas(GHG) emissions from our operating assets. We applied emission factors obtained from UK Government GHG Conversion Factors to convert liquid bio-fuel usage as presented below:

	Unit	2021	2020
Diesel	kg CO2e (Litres)	1,975,493	1,212,832
Petrol	kg CO2e (Litres)	445,437	456,158
Total		2,420,930	1,668,990

Scope 2: Indirect Emissions

These are emissions resulting from consumption of energy generated and supplied by a third party in which BNC has no control. Our Scope 2 emissions were calculated using emission factors obtained from the Southern African Power Pool 2015 using Operating Margin factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change(IPCC) as presented below:

	Unit	2021	2020
Electricity	kg CO2e (Mwh)	65,881	64,036

BIODIVERSITY

BNC recognises the importance of biodiversity management and aims to minimise any impacts arising from its operations. The management of biodiversity is covered under the SHEQ policy. The majority of the management actions put in place by the business to manage environmental impacts contribute to the management of biodiversity. A key element of the management approach for biodiversity involves the analysis of species across our areas of operations while our rehabilitation efforts also look into the reintroduction of species affected by operations.

ASSESSMENTS OF BIODIVERSITY IMPACTS

Impacts on Biodiversity	Species affected	Area affected	Reversible/ Irreversible
Introduction of invasive species - Lantana Proliferation	Acacia Karoo, Bracasitigia, Phisphomis, Acacia Poliactha.	119.874 Ha	Reversible
Reduction of herbaceous plants	Herbaceous plants	119.874 Ha	Reversible

BNC places importance on the rehabilitation of the environment in which it carries out mining operations

OCCUPATIONAL HEALTH AND SAFETY

Mining is an inherently risky activity that can involve ground instability, underground fires, failure of machinery and human error threatening the safety of employees and other stakeholders. BNC makes every effort to ensure that risks are minimised ensuring that mining operations are 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. BNC aims to achieve zero harm to its employees, assets and the environment in which it operates.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

The organisation has been ISO certified since 2005. Since 2016, the organisation attained certification in ISO 45001 (2018) and the certification is current and running.

The system runs across the value chain as illustrated below:

- Mining of ore & hoisting/hauling to surface operations
- Surface beneficiation of ore to a marketable product.
- Transportation of the product to the market.
- Administration services.

All employees, stakeholders and visitors are covered by the OHS system through training, induction and awareness campaigns.

HAZARD IDENTIFICATION AND RISK ASSESSMENT

BNC has a baseline risk assessment and incident investigation for all departmental sections conducted by qualified personnel on a routine and non-routine basis. There are processes for employees to report hazards such as the safety suggestion box system and the Employment Letter of Empowerment. The empowerment letter also guides employees on how they can remove themselves from situations they believe can cause injury or ill health. All incidents investigations follow the processes provided by the BNC SHEMSP 013- Incident Reporting and Investigations procedure.

OCCUPATIONAL HEALTH SERVICES

BNC through the Safety Health Environment and Quality (SHEQ) department and a functional outsourced clinic contribute to the identification and elimination of hazards and minimisation of occupational risks. A baseline risk assessment is in place for health risks guiding practitioners on potential and likely risks. Audits, inspections and reviews of the findings are also used for the identification and elimination of hazards. Workers are represented by fellow workers such as the SHEQ Departmental Representatives. A lower-level and Managerial Works Council is in place where safety and occupational health issues are discussed monthly. Daily, Departmental Worker Representatives participate in safety and occupational-related issues and raise these with the departmental section heads and Heads of departments. The quality of the services is checked through both internal and external audits, inspections and reviews.

Promotion Of Employee Health

BNC contributes to worker health through:

- Wellness Days, once per year. This is currently suspended due to the advent of the COVID-19 virus.
- Company contribution on Medical Aid on behalf of the employees.
- The company has put in place assistance to help COVID-19 related illnesses from the time the employee tests positive until discharged from quarantine or self- isolation.
- The company has improved the local Mine clinic, equipped the facility to efficiently deal with major non-work-related health risks like COVID-19 and any other pandemics.

OCCUPATIONAL HEALTH AND SAFETY

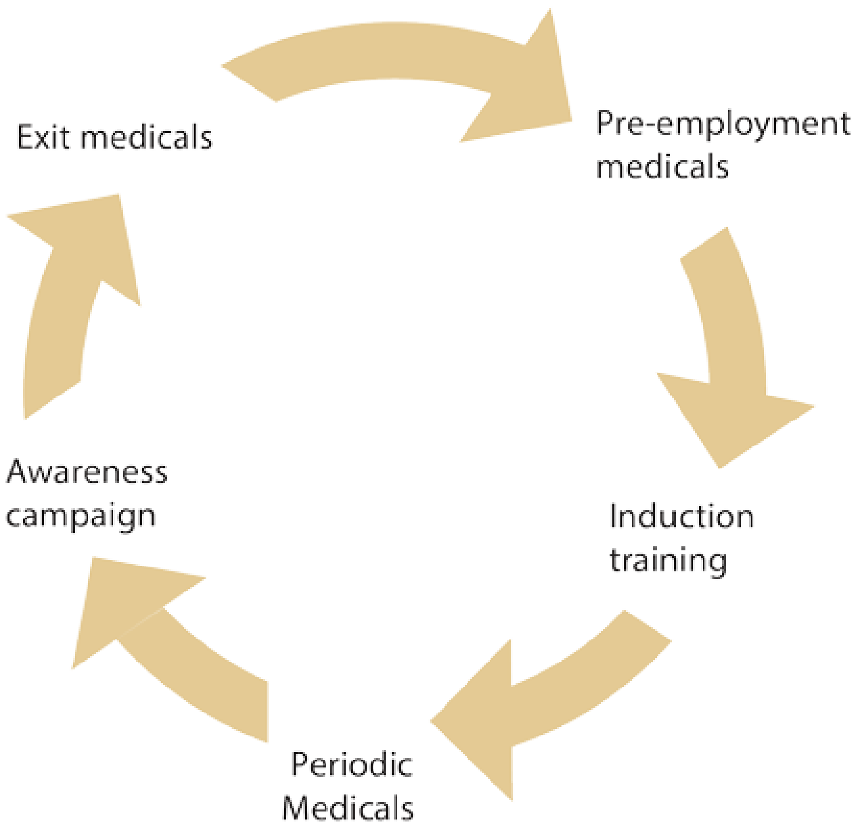
OCCUPATIONAL HEALTH AND SAFETY TRAINING

Several training programs are provided on a routine basis to enable employees to promote a safe culture in our operations. Key training provided this year include:

- Visible Felt Leadership (VFL) and Planned Job Observations (PJO) training.
- Audit training.
- Handling of hazardous & non-hazardous activities has also been offered in certain departments.
- Occupational Safety Health Environmental Management Course (OSHEMAC) training certificate to Safety Health and Environmental Practitioners.

Management of Safety risks from business relationships

We follow a strict process for the management of safety risks from our relationship with various stakeholders such as contractors, and suppliers working within our mining plants. We require all third party employees to undergo medical tests before, during and after any engagement. This is also coupled with induction training and awareness campaigns. These processes are also applicable to our employees as presented below:



Safety Performance for the year

	Unit	2021	2020
Lost Time Injury Frequency Rate	Rate	1,60	0,90
Recordable work-related Injuries	Count	8	7

The business evaluates its safety performance using a wide range of mechanisms such as inspections, audits and benchmarking. Our recent benchmarking exercise has resulted in management deciding to purchase the Governance, Risk Management & Compliance (GRC) software program to proactively manage the company's EHS system.

Key future areas for improvement include:
- Allocation of funding for Wellness days.
- Improvement on Medical Aid packages.
- Procurement of dust abatement units.
- Purchase the IsoMetrix GRC software program.
- Improvement of the capacity and security of the local community's COVID-19 Isolation Centre.

Emergency Planning
BNC takes great care in maintaining emergency preparedness to ensure we maintain the agility to respond to unanticipated events while eliminating and minimising risks and complying with legal requirements. The business has developed emergency response plans for fire through establishing a firefighting team and continuous engagements with Zimbabwe Electricity Supply Authority (ZESA) on any fire-related issues. In the event of a mine collapse or flooding, we have a Proto Team for rescue and recovery. The business also maintains an emergency contact list, publicly available to all employees and stakeholders. During the year, we invested in the provision of employee and stakeholder awareness by conducting emergency preparedness drills and reviewed emergency preparedness plans.

EMPLOYEES

Our employees are a critical success factor as they provide us with the necessary skills and labour. We are committed to providing a conducive working environment and competitive remuneration. We recognise the hidden societal and cultural norms that can hinder our staff from performing at their best. As such, we do not tolerate any form of discrimination and harassment. We uphold individual rights as provided in the Universal Declaration of Human Rights and international labour standards.

Human Capital Management

Management continued to liaise with employees through the Departmental Liaison and Works' Council Meetings as well as there being an open door policy by management. This contributes to cordial and transparent relationships with our employees. The weekly Operations Committee (OPCOM) meetings were held throughout the year. The industrial relations atmosphere remained calm throughout the year, due to the continued proactive and constructive engagement with employees on all pertinent issues.

The business is also committed to ensuring that employee conditions of service are continuously reviewed in compliance with the Labour Act (Chapter 28.01) and other related statutory instruments. Our employees are free to join any trade union of their choice. As of 31 March 2021, 62% of our employees were covered by the National Employment Council for the Mining Industry. During the year, we used environmental scanning, salary surveys and best practices to further assess how we could improve working conditions of our employees. The following were some of the strategies to retain employees;

- Housing provision is in line with the housing policy for all employees.
- Performance bonus scheme policy for all employees.
- Review of fuel and cell phone allowances for managerial employees.
- Motor vehicle scheme for middle management and above.
- Payment of a portion of salaries in US$ to all employees.

Human resources management goals

Objective	Expected Result	Timeline
Promote a conducive work environment	Productive workforce	Monthly
To improve conditions of service for employees	Reduced turnover	Monthly
Upgrade employee skills	Competent Workforce	Monthly

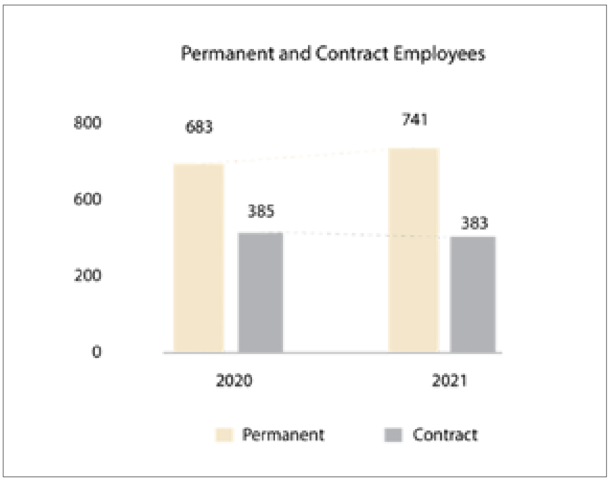
Employees by Age and Gender

Male Employees	Unit	2021	2020
Under 30 years old	Count	115	107
30 – 50 years old	Count	673	662
Over 50 years	Count	312	277
Total Male Employees	**Count**	**1,100**	**1,046**
Under 30 years old	Count	7	9
30 – 50 years old	Count	11	8
Over 50 years	Count	6	5
Total Female Employees	**Count**	**24**	**22**
Total Number Employees	**Count**	**1,124**	**1,068**

EMPLOYEES

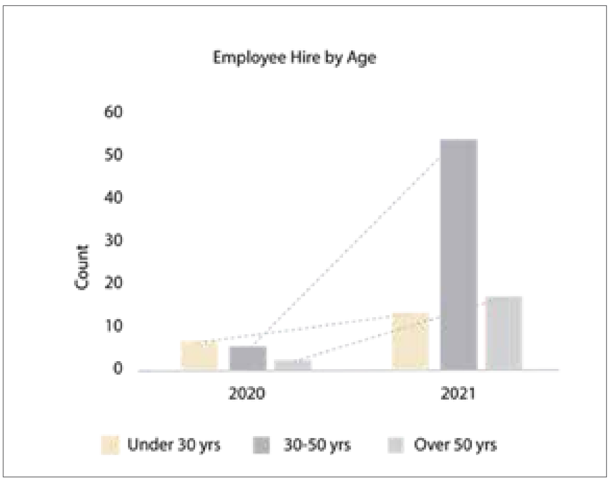
Creating employment opportunities for women in mining

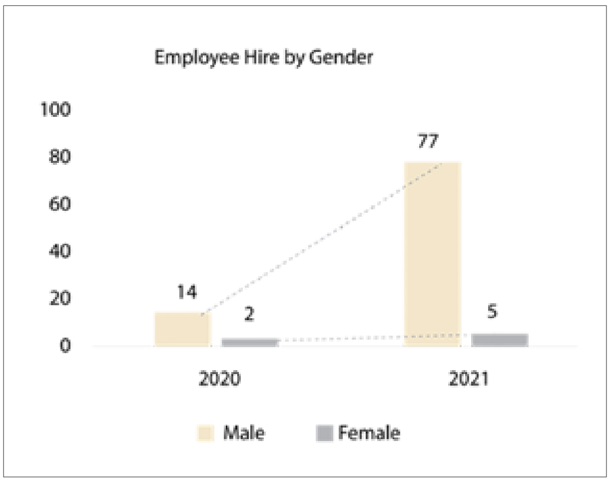
Permanent and Contract Employees



Employees	Unit	2021	2020
Permanent			
Male	Count	721	670
Female	Count	20	13
Total Permanent	Count	741	683
Contract			
Male	Count	379	376
Female	Count	8	9
Total Contracts	Count	383	385
Total Employees	**Count**	**1,124**	**1,068**

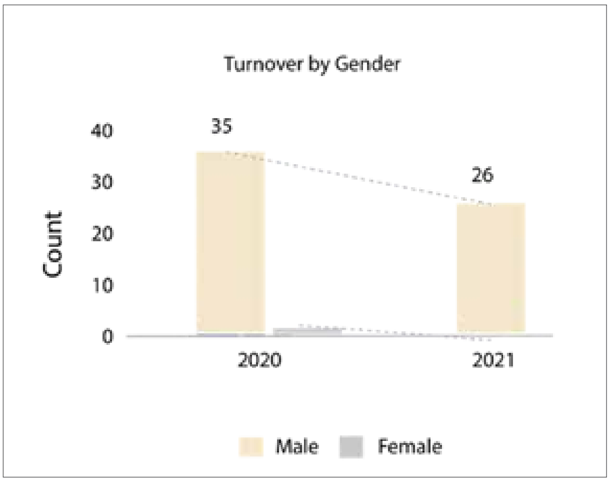
Employee Hire

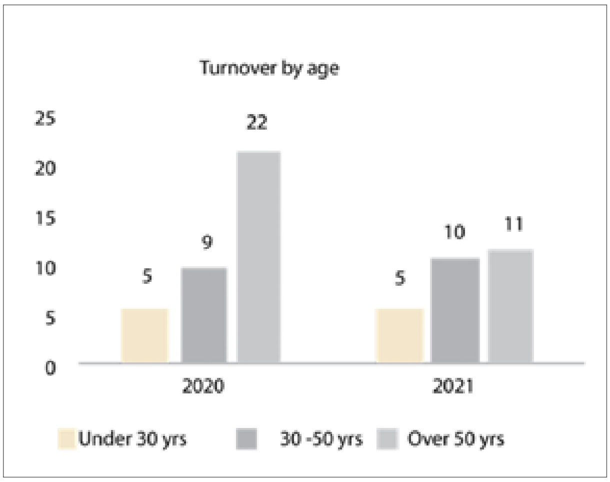




EMPLOYEES

Employee Turnover





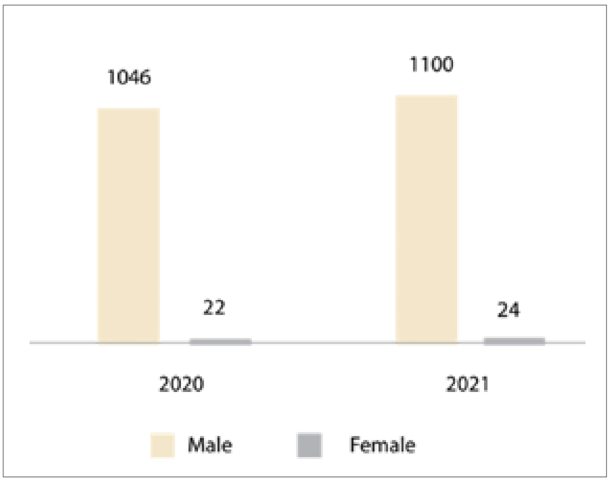
The increase in labour was a result of transfer of employees from the ASA Resource Group Plc (Asa) (former main shareholder) and recruitment of additional fixed-term contracts to work on various projects.

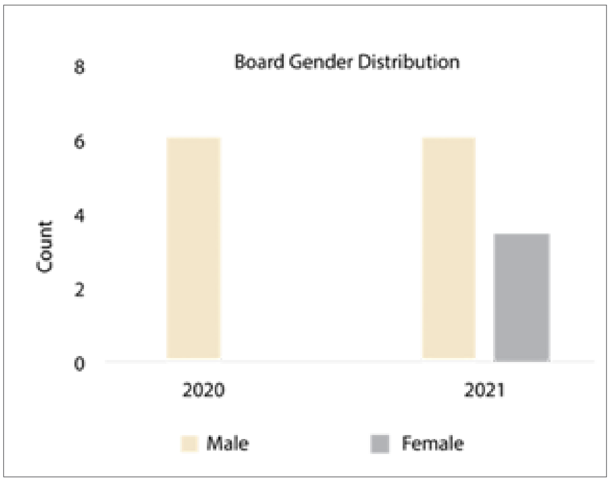
GENDER DIVERSITY AND INCLUSION

Creating equal employment opportunities for all races, regardless of gender and religion and in line with the provisions of the Labour Act is an important aspect for BNC operations. Our business appreciates the benefits of a skilled talent pool that eliminates discrimination and societal inequalities in our area of operations.

Managing Diversity And Inclusion

Our Recruitment and Selection Policy developed in accordance with the requirements of the Labour Act guides recruitment specialists within the business on how to eliminate gender and race bias. The business does not tolerate any form of discrimination against race, gender or religion. The Human Resources Manager is responsible for ensuring these values are followed. As at 31 March 2021, female employees constituted 2% of head count. The Company has set a target of increasing female employees to at least 10% of head count by 2023.





EMPLOYEES

TRAINING AND EDUCATION

Management is committed to upgrading employees skills and providing continuous education in order to align employee performance to business objectives. This is often triggered by new technology and new equipment. Our operations also provide training opportunities for graduate trainees,apprentices and attachment students. Our training programs are critical in improving employee performance, productivity, career development and succession planning.

We identify training needs through a training matrix to ensure that all performance gaps are closed out. This is guided by the Training and Development Policy.

Training objectives and timeliness

Objective	Expected Result	Time-line
Upgrade management and supervisory skills	Effective line managers	Annually
Mine Blasting Licence	Attainment of the Mine blasting licence by mining employees in positions requiring licences	Annually
Succession Planning through apprentices and Learnerships	100% coverage of all critical positions	Annually

Attachees and Graduate Trainees	Unit	2021	2020
Attachees	Number	11	85
Graduate Trainees	Number	10	20

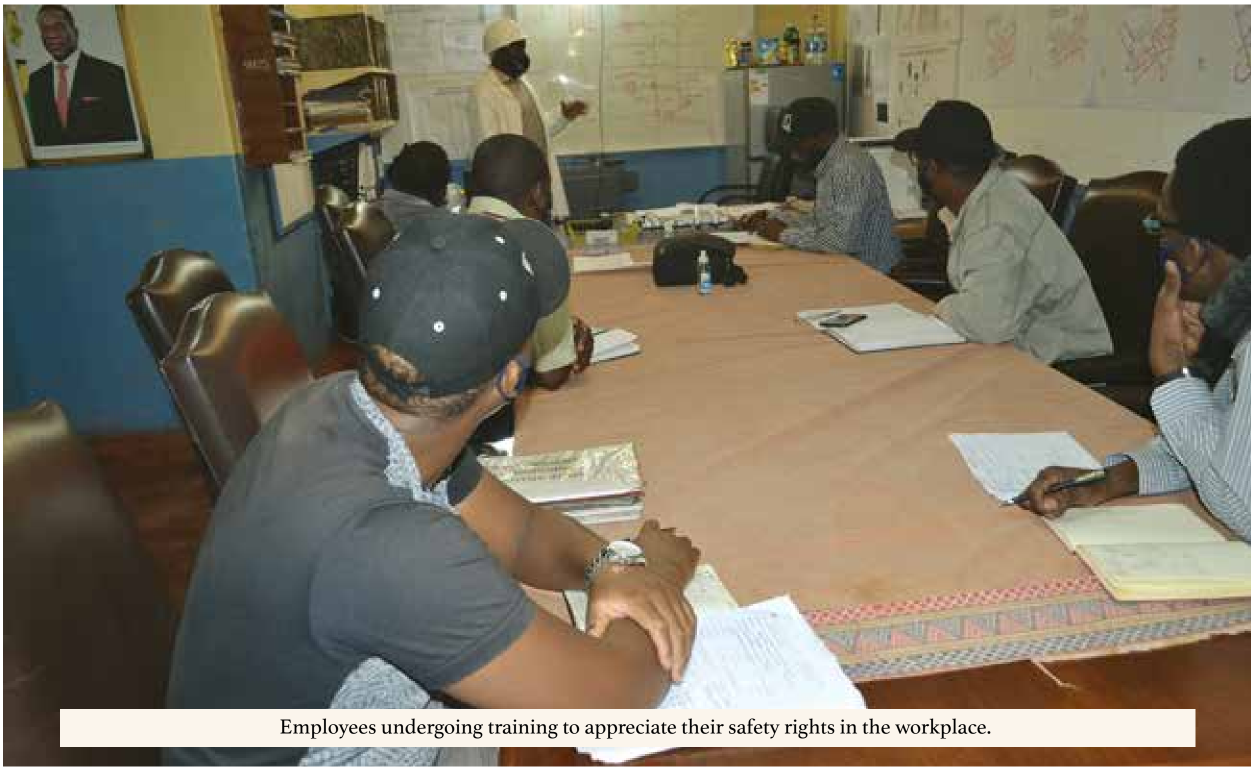
The COVID-19 pandemic interrupted training plans for employees. The majority of training was restricted to inductions and on the job training. The Company uses training evaluation to assess the effectiveness of the training programs. Evaluation of the Supervisory Development Program (SDP) and General Management Development Program (GMDP) have not yet been done.

Graduate Learners who successfully completed their learner-ship programs were appointed to substantive positions as follows:

- 1 IT Support Officer
- 1 Strata Control Officer
- 1 QA/QC Chemist
- 3 Assistant Section Engineers
- 1 Buyer
- 1 Geologist

HUMAN RIGHTS

Upholding the individual rights of employees is a fundamental belief for BNC in line with our commitment to the sustainable development of operations and communities. We recognise how our operations, if not assessed and managed, can aggravate and entrench pre-existing societal violations and unacceptable behaviours. Our commitment to human rights is reflected in the Human Resources and Sexual Harassment policies. The business does not tolerate any form of harassment, discrimination and religious segregation. To foster the requirements of these policies we provide training to all management and employees on human rights. We look forward to enhancing our training on human rights across the business.



Employees undergoing training to appreciate their safety rights in the workplace.

COVID-19 RESPONSE

The pandemic cast a dark shadow over the whole world from the loss of life and threatens the normal way of doing business. The Company like all businesses felt the brunt of the pandemic in the supply chain, operations and markets. 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 to prevent employees and the surrounding communities from getting infected with the coronavirus. Despite the gloom created by COVID-19, we remain resilient while focusing on emerging stronger. The Company has committed to providing a safe and healthy working environment for employees and stakeholders. We are also pledging our resources to support the government and local communities to alleviate the impacts of this pandemic.

The business as part of its internal processes for managing the pandemic put in place the COVID-19 Code of Practice to manage and control the spread of the virus. This was supported by the SHEQ policies and a COVID-19 Committee. The Committee ensured that the requirements of the Code of Practice are implemented while also taking note of government COVID-19 Statutory Instruments, pronouncements and World Health Organisation (WHO) guidelines.

The business provided clinic equipment and Personal Protective Equipment such as face masks, sanitisers and disinfection kits to control the spread of the virus. In the year under review, the business has spent US$1,200,000 in the fight against COVID-19 on items listed below.

- Modernised the local clinic to cater for COVID-19 treatment;
- Purchased two (2) ventilators for the Mine Clinic and donated one to Bindura Hospital;
- Established and resourced the isolation centres;
- Carried out awareness campaigns to employees, local communities, company security personnel and Zimbabwe Republic Police (ZRP);
- Temperature measurement equipment at worksites entry and exit points;
- Procurement of RDT Antigen and PCR testing kits;
- Procurement of face masks and hands sanitisers.

COVID-19 Management Statistics

Indicator	Unit	2021	2020
Number of Tests Conducted	Count	3,299	-
Positive cases	Count	219	-
Negative Cases	Count	3,080	-
Deaths due to COVID-19 (2 employees and 4 non-employees)	Count	6	-

We evaluated our performance through weekly and monthly reports on cases reported and recorded, and treatment proffered. We faced significant challenges ranging from financial constraints, quarantine and isolation centres filling up as well as clinic staff challenges during virus surges. However, through strong management processes, we managed to contain the virus at worksites and in the community.

BNC Covid-19 Response team

COMMUNITY RESPONSIBILITY

Community development is a significant objective for BNC. It ensures that the business extends its responsibilities beyond nickel mining and production. We want to align our success as a business with community success. This enables BNC to take its place in society as a responsible corporate citizen, through social investment initiatives that positively empower, capacitate, or support the diversity of deserving or needy stakeholders, which is our "social licence to operate". Every year, we commit budgetary support towards the alleviation of major challenges faced by our communities locally and nationally.

Management approach

BNC engages with local communities in our areas of operations to assess where support is needed. Our engagement indicated a strong interest in increased COVID-19 support, infrastructure development, job opportunities for locals, concerns for loss of land for cultivation and pastures, pollution and disturbance of heritage sites.

Currently, BNC is engaged in efforts to achieve a mutual benefit through cooperation with local learning institutions in Bindura. Our engagement with local communities and the government led to the company providing support as follows:

Investment Area	Organisations Supported	Amount US$
COVID-19 Response	Zimbabwe Republic Police Bindura Ministry of Health and Child Care	21,117
Infrastructure	Ministry of Local Government Trojan Primary School	571,281
Education	Bindura University of Science Education	1,000
Total		**593,398**

As detailed above, in the year ended 31 March 2021, the Company invested US$593,398 towards Corporate Social Responsibility (CSR) initiatives as compared to US$67,352 in the previous year.

BNC staff presenting a donation of Covid-19 masks and sanitizers to the Zimbabwe Republic Police in Bindura

SUSTAINABLE DEVELOPMENT

The United Nations-supported Sustainable Development Goals (SDGs) are ambitions set for improving the wellbeing of present and future generations. Through these goals, the most pressing challenges can be tackled. The Company recognises that it can make a significant impact by contributing to the achievement of the SDGs and that our negative impacts also delay progress and exacerbate these global challenges. The Group has identified the interconnection between material issues for the business and the SDGs. The monitoring and management of our key areas of impact have direct implications on our contribution to the SDGs.

We contributed to sustainable development as follows:

The business through its CSR initiatives contributed towards SDG 1. During the year, BNC invested US$593,398 towards CSR activities meant to improve the well-being of the local community. In addition, more than 50% of procurement spending was directed towards domestic supplier and contractors.

By providing safe working conditions while upholding basic universal human rights and contributing to the local economy through payment of taxes, support of local suppliers we enable decent work and economic growth. More information about this is available on the section about employees and economic value impacts. In 2021 we recruited 82 employees and paid over US$ 6million in taxes.

Our efforts to diversify and manage our energy sources create opportunities for lowering the energy costs for our business and the surrounding communities. . BNC is investing in a solar project to provide clean energy.

Our water management enables us to reduce our impacts on the quality of water on the receiving water bodies. We also drill boreholes reducing competition for municipal water while providing water for our surrounding communities. During the year we reduced our water consumption by over $300{,}000m^3$.

ECONOMIC VALUE IMPACTS

Mining plays a significant role in economic development in Zimbabwe, it accounts for at least 60% of the country's export earnings. BNC recognises the significance of its operations to the economic success of the country. As a result, we pay close attention to the attainment of the maximum value from our resource extraction. The Re-deepening and Smelter Restart projects are some of the initiatives we have in place to foster value generation and resource beneficiation, in addition to supporting local businesses, suppliers and contractors.

Economic Value generated and key distributions

Creating economic value and distributing it fairly is one of the key objectives of BNC. This stems from the understanding that our key stakeholders depend on us and are also key enablers in the success of our business. Key stakeholder areas of interest are as follows:

Stakeholder	Expectations
Customers	Quality nickel and by products.
Shareholders	A high and sustainable return on their investment, through dividends and growth of their investment.
Suppliers	Business opportunity to supply BNC with supply chain requirements for economic benefits.
Government and Regulators	Fair business practices and taxes.
Communities	Job opportunities and economic support.

BNC is one of the major economic hubs in Bindura and Mashonaland Central Province. It provides jobs by directly employing more than 1 000 people and indirectly, many more thousands through various suppliers of inputs and services. At the national level, BNC generates foreign currency for the country at an annual average of USD60 million. We believe that the economic value we create is playing a huge role in improving the quality of life for local communities in Bindura and Zimbabweans at large.

Management Approach

The Company always seeks to economically exploit the mineral resource for the benefit of all stakeholders. It does so through the deployment of all its key resources and competencies. After production, BNC also always seeks to obtain rewarding markets for its products.

Targets and Goals

- To produce above 6,000t of nickel in concentrates per year in the short to medium term.
- To ramp up production to 10,000t of nickel in concentrates in the long term.
- Generate revenue of above USD60 million per year.
- Reduce all-in sustaining costs to lower than USD7, 000/t of nickel in concerntrate produced.
- To increase profitability to more than USD20 million per year by 2023.

The directors have overall responsibility for the above economic contributions targets. However, for management purposes, these responsibilities are delegated to management as follows:

Production – Mine Manager.
Marketing of the Product – Marketing Manager.
Reduction of Costs – Responsibility is shared by all managers.

ECONOMIC VALUE IMPACTS

Management Actions put in place in 2021:

- Increase the ore resource and hence increase the Life of Mine of Trojan Mine. Exploration is being intensified to define the resource and plan better.
- New equipment was bought including an exploration rig, support rigs and Load Haul Dumps (LHDs) to capacitate the mine to increase mine output.
- Completion of the mine re-deepening project to create flexibility in the mining of the mineral.

Economic Value Generated and Distributed

	Unit	2021	2020
Direct Economic Value Generated	US$	34,492,271	30,610,095
Other Income and Interest	US$	689,615	765,739
Total economic value generated	US$	35,181,886	31,375,834
Economic Value Distribution			
Selling and distribution	US$	(1,769,598)	(6,242,199)
Administration Costs	US$	(7,497,830)	(6,382,059)
Impairment loss and related charges	US$	(2,426,663)	-
Staff Costs and benefits	US$	(15,672,173)	(12,813,971)
Depreciation	US$	(4,523,733)	(3,105,539)
Tax Expense	US$	(1,307,811)	(1,445,980)
Finance Costs	US$	(235,780)	(499,449)
Total economic value distributed	US$	**(33,433,588)**	**(30,489,197)**
Economic Value retained	US$	**1,748,298**	**886,637**

The increase in revenue by 13% was mainly attributed to the firming up of nickel prices during the financial year ended 31 March 2021. However, the cost of generating revenue shot up by 23% mainly due to general price increases in production input costs. Overall, the total Economic Value Distributed increased.

Evaluation of management plans

The business has several mechanisms in place to assess its economic performance as follows:

- Budgetary monitoring and control mechanisms. This involves setting objectives/targets at the beginning of the period and evaluate performance against set targets periodically.
- Internal Performance management tools. The company uses a balanced scorecard as a tool to assess the performance of its management.
- Benchmarking with other mines and organisations with similar operations.
- Stakeholder feedback.

The results for 2021 were negatively affected by the external environment. The COVID-19 pandemic and local inflation reduced the profitability of the Company during the year. In times where profitability is threatened by the external environment, the Company has learnt that it needs to quickly adapt and respond by coming up with mitigation measures to remain profitable. The Company will now seek to maximise production and at the same time continuously scan the environment so that it will be able to quickly respond to challenges. BNC has realised that a cost leadership strategy is needed to respond to increased operational costs because of exogenous factors.

ECONOMIC VALUE IMPACTS

Defined Contribution Pension Plans

BNC operates a pension scheme, where employees and the Company makes monthly contributions to the Mining Industry Pension Fund (MIPF). Our contributions were as follows for the year:

Pension Scheme	Unit	2021	2020
% of Employees on Pension	%	88%	84%
National Social Security Authority (NSSA)	US$	168,122	162,738
Mining Industry Pension Fund (MIPF)	US$	644,638	608,871
Total	US$	812,760	771,609

Company contributions to pension funds increased in line with increased labour costs during the year.

TAX

The Group is committed to complying with all applicable tax laws in Zimbabwe. The Group recognises that tax matters are usually a significant component of corporate transactions, and therefore the strategy is to ensure that all tax matters are in good order and uncertainties relating to tax are minimised.

Managing tax affairs

The Group maintains internal competence in corporate and transactional taxes to ensure company corporate tax returns are properly prepared and indirect and payroll taxes are properly accounted for and reported, whilst tax guidance and advice is obtained from external tax advisors as appropriate. The Group aims to manage its tax affairs in a manner that creates value for all its stakeholders. The Finance Director has overall responsibility for ensuring that the tax systems set in place and embedded in operational procedures are complied with.

Tax risks

Potential tax risks are identified from areas of non-compliance relating to issues identified from prior period reports (tax health check/audit reports). Potential non-compliance with tax legislation is also identified through new tax legislation. Tax risks are managed by ensuring compliance with tax laws.

Reporting unlawful behaviour

There are reporting mechanisms where employees can report instances of lawful and unlawful behaviour to their immediate supervisors, who in turn reports to senior management.

Engagement of Tax Authorities

The Group engages tax authorities on tax areas that are uncertain to be provided with advance ruling if possible. The tax authority is also engaged to disclose areas of non-compliance to tax legislation. The Group maintains open relationships with external stakeholders and these are free to approach the Group to discuss issues relating to taxes. The Group mainly advocates changes to tax through the Zimbabwe Chamber of Mines and the Ministry of Mines and Mining Development.

Tax Payments:

PURPOSE	Units	2021	2020
Value Added Tax (VAT) Refunds	US$	(677,175)	(499,084)
Pay As You Earn (PAYE)	US$	3,769,762	3,351,730
Withholding Tax	US$	582,529	76,293
Royalties	US$	1,156,536	1,035,859
Corporate Tax	US$	1,307,811	1,445,980
Grand Total	US$	6,139,463	5,410,778

Our tax payments to Government increased by 13% from $5.4 million to $6.1 million, in line with the increase in taxable income.

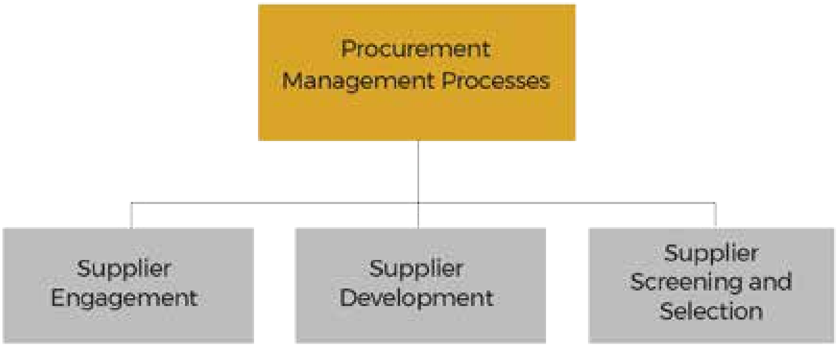
Evaluation of Tax compliance and performance

The main evaluation mechanisms are tax health checks and audits which are periodically conducted to appraise the organisation's compliance with tax legislation and the effectiveness of systems. Tax health checks and audits have provided the Group with insight into areas that can be improved such as compliance with tax legislation and effectiveness of controls.

ECONOMIC VALUE IMPACTS

SUPPLY CHAIN MANAGEMENT AND PROCUREMENT PRACTICES

Procurement processes at BNC ensure that we source quality goods at competitive prices. We seek to have sustainable procurement practices that enhance the achievement of the organisational goals and balance the socioeconomic and ecological impacts. We have a collaborative relationship with our supplier strengthened through supplier engagement, involvement and development. This is realised through supplier visits and assessments which enabling us to identify constraints of suppliers, consider social responsibility opportunities, negotiate prices and terms, use contract management to curb risks and strengthen relation management.

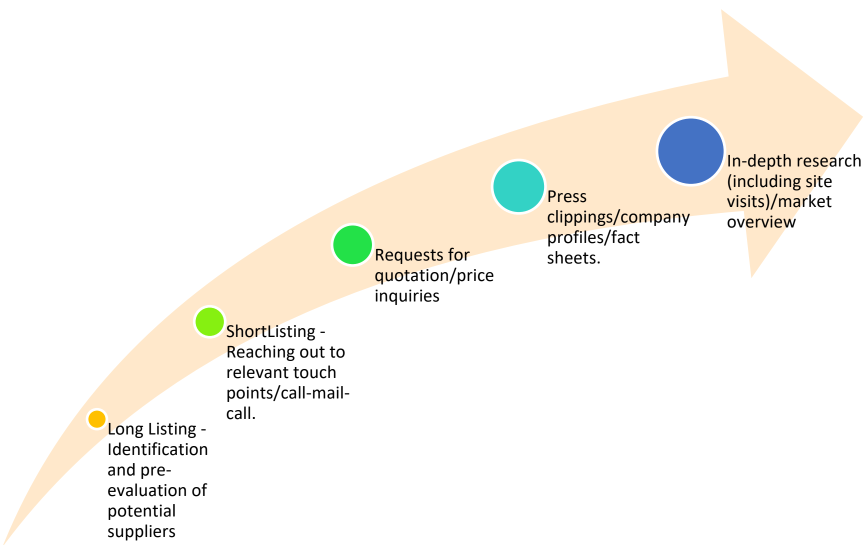


Supplier Screening And Selection

BNC seeks to partner with suppliers who uphold the basic principles of quality, health, safety and environmental protection, as such before engaging a supplier, we assess them on the following criteria:

- Assessing and auditing suppliers and their products and services using social criteria.
- Assessing compliance with legislation such as tax compliance.
- Assessing that the client must adopt a verification process to evaluate its suppliers of primary production, to demonstrate that raw materials are not being purchased from sources where there is a significant adverse impact on natural and/or critical habitats.
- Identifying and assessing significant actual and potential negative social impacts in the supply chain.

Screening Systems



ECONOMIC VALUE IMPACTS

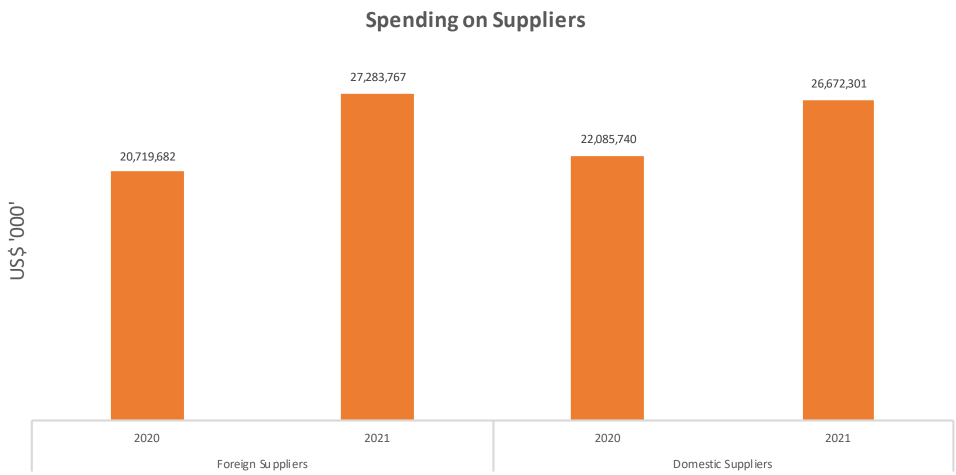
The Safety Health Environment and Quality policy provides direction on the management of procurement risk. The business is committed to the elimination of threats whose thresholds are of major importance to the core operations of BNC. Through the performance standards on Environmental and Social Sustainability, BNC requires its suppliers to identify, avoid, mitigate, and manage environmental and social risks and impacts as a way of conducting sustainable business. It outlines that client responsibilities concerning the primary supply chain and primary production in the supply chain specifically, where the BNC supplier can reasonably exercise management control and/or leverage, risks and impacts associated with primary supply chains should be considered.

Number of suppliers

Suppliers	Unit	2021	2020
Domestic suppliers and sub-contractors	Count	170	189
Foreign Suppliers and sub-contractors	Count	7	14
Total Suppliers and sub-contractors	Count	177	203

Spending on suppliers

	Unit	2021	2020
Spending on domestic suppliers and sub-contractors	US$	26,672,301	22,085,740
Spending on foreign supplier and sub-contractors	US$	27,283,767	20,719,682
Total Procurement Spend	US$	53,956,068	42,805,422



The Company procures its materials through a fair mix between local and foreign markets. The Company will continue to source its inputs from both markets.

Evaluation Of Supply Chain Management

We depend on internal and external audits, stakeholder feedback to manage our supply chain. Our findings this year was that the COVID-19 pandemic disrupted supply chains due to lockdowns and movement restrictions, the business put in place plans to increase stocking levels and sourcing from the SADC region. The Cost & Materials team worked tirelessly to ensure an uninterrupted supply of goods. To strengthen the business procurement process, we also reviewed tender processes and eliminated external outsourcing.

Trojan Mine processing plant

11 FINANCIAL REPORTS

12 ANNEXURES

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 2021.

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 Company was increased from 1 251 133 797 ordinary shares of US$0.000010307 each to 1 272 735 638 ordinary shares of US$0.000010307 each during the period.

	31 March 2021 US$	31 March 2020 US$
Issued and fully paid	13 119	12,896
Non-distributable reserves		
Share premium	32 339 248	32 327 879
Total non-distributable reserves	32 339 248	32 340 775
Other reserves		
Share based payment reserve	2 478 023	2 138 355
Capital contribution	2 631 877	2 631 877
Distributable reserves		
The movement in distributable reserves is as follows:		
At 1 April	12 739 781	11 853 144
Profit for the year attributable to ordinary shareholders	1 748 298	886 637
At 31 March	14 488 079	12 739 781

Subsidiary companies operations

Trojan Nickel Mine Limited is operating while the Smelter and Refinery and Shangani Mine divisions remained on care and maintenance.

PROPERTY, PLANT AND EQUIPMENT

Capital expenditure for the year amounted to US$ 8 873 904 (2020: US$5 115 425).

GROUP RESULTS

	31 March 2021 US$	31 March 2020 US$
Profit before taxation	3 056 109	2 332 617
Taxation	(1 307 811)	(1 445 980)
Profit for the year	1 748 298	886 637

DIVIDEND

No dividend was declared for the year.

THE DIRECTORS OF THE COMPANY AS AT 31 MARCH 2021 WERE AS FOLLOWS:

Name	Position
T Lusiyano	Managing Director (Appointed 9 November 2020)
B Manhando	Managing Director (Resigned 9 November 2020)
P Maseva-Shayawabaya	Finance Director (Appointed 1 April 2021)
M A Masunda	Chairman
J C Behr	Non-Executive Director
D H Brown	Non-Executive Director
O Chimuka	Non-Executive Director
C Fourie	Non-Executive Director (Resigned 8 July 2020)
C C Jinya (Dr)	Non-Executive Director (Appointed 1 February 2021)
C D Malaba (Mrs)	Non-Executive Director (Appointed 1 December 2020)
C G Meerholz	Non-Executive Director
R Nhamo (Mrs)	Non-Executive Director (Appointed 1 December 2020)

AUDITORS

Ernst &Young were reappointed as the Auditor during the year ended 31 March 2021 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

Mukanganga

C. F. Mukanganga

Company Secretary

24 June 2021

COMPANY SECRETARY CERTIFICATION

CERTIFICATE OF COMPLIANCE BY THE GROUP COMPANY SECRETARY

In my capacity as Group Company Secretary of BINDURA NICKEL CORPORATION LIMITED and its subsidiary companies, I confirm that in terms of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), the Company lodged with the Registrar of Companies all such returns as are required of a public quoted company in terms of this Act and all such returns are true, correct and up to date.

C. F. Mukanganga
Company Secretary
30 June 2021

The Trojan Mine Headgear
after refurbishment

Building a better
working world

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

TO THE MEMBERS OF BINDURA NICKEL CORPORATION LIMITED

Report on the Audit of the Group and Company Financial Statements

Adverse Opinion on Group Financial Statements and Qualified Opinion on the Company Financial Statements

We have audited the group and company financial statements of Bindura Nickel Corporation Limited (the consolidated and separate) set out on pages 95 to 137 which comprise the group and company statements of financial position as at 31 March 2021, and the group and company statement of profit or loss and other comprehensive income, the group and company statement of changes in equity and the group and company statement of cash flows for the year then ended, and notes to the group and company 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 group financial statements do not present fairly the group financial position of Bindura Nickel Corporation Limited as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying company financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, 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 on Group Financial Statements and Qualified Opinion on the Company Financial Statements

Non-compliance with International Financial Reporting Standards IAS 21- The Effects of Changes in Foreign Exchange Rates and inappropriate application of IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors

As explained in note 3 to group financial statements, the group's functional and presentation currency is the United States Dollar (US$)

The Group and Company translated Zimbabwean Dollar (ZWL) denominated transactions and balances into United States Dollars using the interbank rate for the period 1 April 2020 to 22 June 2020 prior to introduction of the Foreign Exchange Auction Trading System. The interbank exchange rates used for the translation did not meet the definition of a spot exchange rate as per IAS 21, as they were not available for immediate delivery. This matter arose in the prior year and our opinion on the prior year group and company financial statements was modified accordingly. Management has not restated the opening balances to resolve the matters which resulted in the adverse audit report in the prior period in accordance with IAS 8 - Accounting Polices, Changes in Accounting Estimates and Errors. The matters are therefore continuing.

Group
Therefore, there is continuing impact from the prior year on the group statements of financial position at period end and all amounts on the group statements of profit or loss and statements of comprehensive income except for revenue. The underlying ZWL:US$ exchange rate used to determine the amount shown for Inventories stated at US$ 9 553 707, Deferred Taxation stated at US$20 270 935, Retained Earnings stated at US$14 488 079, Environmental Rehabilitation Provision stated at US$9 936 830, and Income tax prepayment stated at US$1 174 927 on the group statements of financial position at period end does not meet the definition of a spot exchange rate. In addition, for the same reason, all amounts on the current year group statements of profit or loss and statements of comprehensive Income except for revenue are likely misstated.

The impacts to the amounts in USD have not been quantified owing to the lack of accounting records and available information to provide the necessary spot rate.

‣ Corresponding numbers relating to Current Assets, all Current Liabilities, Deferred tax, Lease liability and Accumulated profits on the group statement of financial position at year end and all expense amounts on the group statements of comprehensive income. Our conclusion on the current period's group 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.

‣ As opening balances enter the determination of cash flows, performance and position, our current year opinion is modified in respect of the impact of these matters on the group statements of cash flows, group statement of profit or loss and group statement of changes in equity.

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

Company
Consequently, Retained Earnings stated at US$ 1 318 021 on the company Statement of Financial Position at period end is impacted as it contains material amounts from opening balances. The impacts to the amounts in USD have not been quantified owing to the lack of accounting records and available information to provide the necessary spot rate.

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 Group and Company Financial Statements* section of our report. We are independent of the Society 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 on the group financial statements and qualified opinion on the company financial statements.

Key Audit Matters
Except for the matters described in the Basis for Adverse and Qualified 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 is expected to be 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 - Effects 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.

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 skepticism 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Walter Mupanguri (PAAB Number 367).

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

Date: 30 June 2021

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2021

	Notes	2021 US$	2020 US$
Revenue	5	59 169 461	52 354 635
Cost of sales	6	(44 873 096)	(37 664 050)
Gross profit		**14 296 365**	**14 690 585**
Other income	5.1	139 483	279 414
Profit on disposal of treasury bills	5.2	550 000	-
Selling and distribution expenses		(1 769 598)	(6 242 199)
Administrative expenses		(7 497 830)	(6 382 059)
Net Exchange (loss)/ gain		(2 426 663)	457 387
Exchange gains		19 204 506	20 961 806
Exchange losses		(21 631 169)	(20 504 425)
Profit from operating activities	6	**3 291 75**	**2 803 128**
Net finance costs	7	(235 648)	(470 511)
Finance income based on EIR		132	28 938
Finance costs		(235 780)	(499 449)
Profit before taxation		3 056 109	2 332 617
Taxation	8	(1 307 811)	(1 445 980)
Profit for the year		1 748 298	886 637
Total profit and other comprehensive income for the year attributable to ordinary shareholders		**1 748 298**	**886 637**
Basic earnings per ordinary share (cents)	9	0.139	0.071
Diluted earnings per ordinary share (cents)	9	0.133	0.069

GROUP STATEMENT OF FINANCIAL POSITION
as at 31 March 2021

	Notes	2021 US$	2020 US$
ASSETS			
Non-current assets			
Property, plant and equipment	10	80 071 425	75 904 707
		80 071 425	75 904 707
Current assets			
Inventories	11	9 553 707	10 215 279
Trade and other receivables	12	9 150 750	7 119 769
Cash and short term deposits	13	1 937 098	724 063
		20 641 555	18 059 111
Total assets		**100 712 980**	**93 963 818**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	13 119	12 896
Share premium		32 339 248	32 327 879
Capital Contribution	14.5	2 631 877	2 631 877
Retained earnings		14 488 079	12 739 781
Share-based payment reserve	22	2 478 023	2 138 355
		51 950 346	49 850 788
Non-current liabilities			
Environmental rehabilitation provision	16	9 936 830	9 943 733
Deferred taxation	17	20 270 935	19 979 099
Lease liability	18	11 757	36 324
		30 219 522	29 959 156
Current liabilities			
Trade and other payables	19	18 506 347	12 782 502
Provisions	20	35 822	79 271
Interest bearing borrowing	15	-	1 118 267
Lease liability	18	943	5 348
Income tax payable		-	168 486
		18 543 112	14 153 874
Total equity and liabilities		**100 712 980**	**93 963 818**

M. A. Masunda
Chairman

30 June 2021

T. Lusiyano
Managing Director

30 June 2021

GROUP STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2021

	Note	Share Capital US$	Share premium US$	Capital contri-bution US$	Share -based payment reserve US$	Retained earnings US$	Total US$
Balances as at 1 April 2019		**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**
Issue of shares		223	11 369	-	-	-	11 592
Share-based payment expense		-	-	-	339 668	-	339 668
Total comprehensive income for the year							
Total profit and other comprehensive income for the year attributable to ordinary shareholders		-	-	-	-	1 748 298	1 748 298
Balances as at 31 March 2021		**13 119**	**32 339 248**	**2 631 877**	**2 478 023**	**14 488 079**	**51 950 346**

GROUP STATEMENT OF CASH FLOWS

as at 31 March 2021

	Notes	2021 US$	2020 US$
Cash flows from operating activities			
Profit from operations before interest, dividends and taxation		3 291 757	2 803 128
Adjusted for:			
Depreciation of property, plant and equipment	10.1	4 662 924	3 684 962
Net Exchange loss/ (gain)		2 047 702	(457 387)
Prepayments written off		-	602 337
Profit on disposal on investment		(550 000)	-
Share-based payment expense	22	339 668	1 112 094
Provision for expected credit losses		4 228	-
Provision for obsolete inventory		105 402	-
Related party receivables written off		126 184	-
Increase in provisions		13 495	-
Operating cash flows before working capital changes		10 041 360	7 745 134
Decrease / (Increase) in inventories		661 572	(1 720 453)
(Increase)/ Decrease in trade and other receivables		(1 173 592)	678 248
Increase in trade and other payables		836 636	1 972 649
Net cash flows from operations		10 365 976	8 675 578
Returns on investments and servicing of finance			
Interest received		132	28 938
Interest paid		(192 052)	(297 263)
Tax paid		(2 359 390)	-
		(2 551 410)	(268 325)
Net cash flows from operating activities		7 814 566	8 407 253
Cash flows from investing activities			
Purchase of property, plant and equipment to maintain Capacity	10.1	(8 873 904)	(5 115 425)
Purchase of property, plant and equipment to increase Capacity		-	-
Staff loans issued		-	48 627
Purchase of investment		(250 000)	-
Proceeds from sale of investment		800 000	-
Net cash flows from investing activities		(8 323 904)	(5 066 798)
Net cash flows before financing activities		(509 338)	3 340 455
Cash flows from financing activities			
Interest bearing borrowings repaid	15	(4 403 916)	(1 852 894)
Interest bearing borrowings received	15	5 122 131	1 000 000
Proceeds from issue of shares	14	11 592	36 789
Principal paid on lease liability	18	(16 667)	(2 042)
Net cash flows from financing activities		713 140	(818 147)
Increase in cash and cash equivalents		203 802	2 522 308
Net foreign exchange differences on cash and cash equivalents		1 171 151	52 943
Cash and cash equivalents at the beginning of the year		562 145	(2 013 106)
Cash and cash equivalents at the end of the year	13	1 937 098	562 145
Cash and cash equivalents represented by:			
Bank and cash balances		1 937 098	724 063
Bank overdraft		-	(161 918)
		1 937 098	562 145

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2021

	2021 US$	2020 US$
Administration costs	(93 754)	(50 048)
Loss before taxation	(93 754)	(50 048)
Taxation	-	-
Total loss and other comprehensive income for the year attributable to ordinary shareholders	(93 754)	(50 048)

COMPANY STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2021

	Notes	2021 US$	2020 US$
ASSETS			
Non-current assets			
Investments in subsidiary companies	21	34 780 957	34 441 289
Amounts due from subsidiary companies	21.1	1 367 454	1 449 616
Total assets		**36 148 411**	**35 890 905**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14.2	13 119	12 896
Share premium		32 339 248	32 327 879
Retained earnings		1 318 021	1 411 775
Share-based payment reserve	22	2 478 023	2 138 355
		36 148 411	35 890 905
Total equity and liabilities		**36 148 411**	**35 890 905**

M. A. Masunda
Chairman

30 June 2021

T. Lusiyano
Managing Director

30 June 2021

COMPANY STATEMENT OF CHANGES IN EQUIT

as at 31 March 2021

	Note	Share capital US$	Share premium US$	Share based payment reserve US$	Retained earnings US$	Total US$
Balances as at 1 April 2019		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
Issue of shares	14.3	223	11 369	-	-	11 592
Share-based payment expense		-	-	339 668	-	339 668
Total comprehensive income for the year						
Loss and other comprehensive income for the						
year attributable to ordinary shareholders		-	-	-	(93 754)	(93 754)
Balances as at 31 March 2021	14	13 119	32 339 248	2 478 023	1 318 021	36 148 411

COMPANY STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

	2021 US$	2020 US$
Cash flows from operating activities		
Loss from operations	(93 754)	(50 048)
Operating cash flows before working capital changes	(93 754)	(50 048)
Decrease in amounts due from subsidiary companies	82 162	13 259
Net cash flows from operations	(11 592)	(36 789)
Cash flows from investing activities	-	-
Cash flows from financing activities		
Proceeds from issue of shares	11 592	36 789
Net cash flows from financing activities	11 592	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 2021

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 Kuvimba Mining House. The Group's registered address is Bindura Nickel Corporation Limited, 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 2021 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 Group.

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 24 June 2021.

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.

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

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS (Cont'd)

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.

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 date. SI.33 of 2019 required the translation of US dollar balances held before 22 February 2019 to RTGS dollar at a rate of 1:1. Group assessed whether this applies to assessed losses accumulated before 22 February 2019. The Group applied a prudent approach by translating accumulated losses accumulated before 22 February 2019 to RTGS dollar at a rate of 1:1.

Inventories (note 11)

The assumptions used in the valuation of work-in-progress and finished goods inventories include estimates of nickel

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the year ended 31 March 2021

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS (Cont'd)

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 28)

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 23)

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.

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 2021.

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$).

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS (Cont'd)

- 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) 68% US$ and 32% ZWL$.
- the currency in which receipts from operating activities are usually retained. (The majority of receipts from operating activities are retained in US$ and where payments are required in ZWL$, the funds will be liquidated at auction rates to settle local transactions).

The Group is an exporter earning all of its income in United States Dollars, denominating 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.

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 2021. 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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 depreciation 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.

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 depreciated 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 2021 were as follows:

- Hunters 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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).

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, trade and 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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. 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Cash flow movements on amounts due from subsidiary companies

BNC does not have separate bank accounts. However, its treasury function is handled by its subsidiary Trojan Nickel Mine Limited. Funds received and payments are handled by Trojan Nickel Mine Limited on behalf of BNC. Trojan Nickel Mine Limited makes payments to BNC's suppliers to settle BNC operating expenses which reduce the amounts owed to BNC. These movements are recorded under operating activities in the statement of cash flows of BNC as these are payments relating to costs which are recognised as expenses by BNC.

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.

Impairment of assets

Impairment of financial assets

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.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

For trade receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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:

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.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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 included within property, plant and equipment and 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 depreciated from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of 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 depreciated 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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

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 none of which had a material effect on the reported amounts and disclosures. All other accounting

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

policies adopted are consistent with those of prior years. The Group has not had early adoption of any standards not yet effective.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

Overall impact

These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

Overall impact

These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

Overall impact

This amendment had no impact on the consolidated financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

5. REVENUE

	2021 tonnage	2020 tonnage	2021 US$	2020 US$
Nickel	-	-		
Nickel in concentrates	5 496	5 685	57 825 721	55 357 491
Revenue from contract with customers			**57 825 721**	**55 357 491**
Provisional pricing adjustment				
Fair value gain/ (loss) on				
Fair Value adjustment (Trade Receivables)			1 343 740	(3 002 856)
Fair value gains			1 930 018	75 076
Fair value losses			(586 278)	(3 077 932)
Total			**59 169 461**	**52 354 635**

Revenue from one major customer of the Group represents approximately US$59 million (2020: US$52 million) of the Group's total revenue.

Revenue is further disaggregated as follows:

Revenue	2021 US$	2020 US$
- Nickel concentrate	59 169 461	46 671 129
- Freight and insurance	-	5 683 506
Total	**59 169 461**	**52 354 635**

5.1 Other income

Sale of scrap	139 483	66 943
Other	-	212 471
	139 483	**279 414**

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

5.2 Profit on disposal of treasury bills

The Group disposed of treasury bills with a carrying amount of US$250 000 for US$800 000. The profit on disposal was US$550 000 2020: US$ nil.

6. PROFIT FROM OPERATING ACTIVITIES

	2021 US$	2020 US$
Profit from operating activities is arrived at after taking into account the following:		
Auditors' remuneration	110 000	65 000
Depreciation of property, plant and equipment (note 10.2)	4 523 733	3 105 539
Environmental rehabilitation asset depreciation (note 10.2)	139 191	195 828
Environmental rehabilitation provision		
- Finance Cost	37 359	159 494
Net Foreign exchange loss/ (gain)	2 446 462	(457 387)
Remuneration of Directors	184 977	179 164
Staff costs	15 672 173	12 813 971

Included in administration costs are costs relating to care and maintenance for Shangani Mine amounting to US$374 311(2020: US$ US$285 224).

7. NET FINANCE INCOME/ (COSTS)

	2021 US$	2020 US$
Finance income		
Interest received	132	28 938
	132	28 938

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

	2021 US$	2020 US$
Finance expenses		
Interest expense on other interest bearing borrowings	(192 153)	(297 264)
Unwinding discount on rehabilitation provision	(37 359)	(159 494)
Interest on Asa Resource Group Plc. loan (note 15)	-	(41 021)
Interest on lease liability	(6 268)	(1 670)
	(235 780)	(499 449)
Net finance (costs)	**(235 648)**	**(470 511)**

8. INCOME TAX

	2021 US$	2020 US$
Current tax	1 015 975	(744 253)
Deferred tax (note 17)	291 836	2 190 233
	1 307 811	**1 445 980**
Reconciliation of tax charge		
Profit before tax	3 056 10	2 332 617
Notional tax based on current tax rates at 24.72% (2020: 25.75%)	755 470	600 649
Additional taxation/ (taxation savings) resulting from:		
- non-deductible expenses	688 334	852 783
- exempts income	(135 993)	(7 452)
	1 307 811	**1 445 980**

Non-deductible expenses include excess pension contributions, legal expenses, management fees disallowed, share-based payment expense and donations. Exempt income relates to interest income received from financial institutions.

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:

	2021 US$	2020 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 ZWL14 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 March 2021

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.

	2021 US$	2020 US$
Profit/ (loss) attributable to ordinary shareholders (basic and diluted)		
Profit for the year attributable to owners of the Group	1 748 298	886 637
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at 31 March	1 251 133 797	1 239 656 591
Effect of shares issued during the year	4 167 546	2 875 500
Weighted average number of shares – basic earnings per share	1 255 301 343	1 242 532 091
Effect of dilutive shares	58 838 270	43 519 979
Weighted average number of shares – diluted earnings per share	**1 314 139 613**	**1 286 052 070**
Basic earnings per ordinary share (cents)	0.139	0.071
Diluted earnings per ordinary share (cents)	0.133	0.069

10 PROPERTY, PLANT AND EQUIPMENT

		Land & Buildings US$	Smelter & refinery Plant & equipment US$	Mining assets US$	Capital Work in progress US$	Total US$
10.1	**Cost/valuation At 1 April 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**
	Additions	-	-	2 438 973	6 434 931	8 873 904
	Change in Rehabilitation Asset (Note 10.6)	-	-	(44 262)	-	(44 262)
	At 31 March 2021	**7 178 224**	**22 474 230**	**61 200 246**	**56 021 189**	**146 873 889**
10.2	**Depreciation**					
	At 1 April 2019	**4 226 791**	**14 558 061**	**38 660**	**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**
	Current year charge	130 787	384 141	4 008 805	-	4 523 733
	Rehabilitation Asset (Note 10.6)	-	-	139 191	-	139 191
	At 31 March 2021	**4 464 551**	**15 326 343**	**46 002 443**	**1 009 127**	**66 802 464**
10.3	Carrying amount :					
	At 31 March 2021	**2 713 673**	**7 147 887**	**15 197 803**	**55 021 062**	**80 071 425**
	At 31 March 2020	**2 844 460**	**7 532 028**	**16 951 088**	**48 577 131**	**75 904 707**

10.4 Smelting assets with a gross carrying amount of US$24 million are not being depreciated as they are still under construction. The smelting assets have not been commissioned for use as intended by management and are therefore not being depreciated. Smelter assets with a carrying amount of US$7.1 million are idle and are being depreciated.

10.5 Property, plant and equipment with a gross carrying amount of US$26.5 million are fully depreciated but are still in use.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 March 2021

10 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

10.6 Rehabilitation asset

	2021 US$	2020 US$
At 1 April	1 113 533	1 757 535
Change in estimate	(44 262)	(448 720)
Depreciation	(139 191)	(195 282)
At 31 March	930 080	1 113 533

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. 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	
	2021 US$	2020 US$
At 1 April	**57 263**	-
Additions	-	58 286
Depreciation	(12 271)	(1 023)
At 31 March	**44 992**	**57 263**

11. INVENTORIES

	2021 US$	2020 US$
Nickel in concentrates	379 928	1 096 353
Consumables	9 279 181	9 118 926
Less: Provision for obsolete inventory	(105 402)	-
	9 553 707	10 215 279

The cost of inventories for the Group recognised as an expense and included in 'Cost of Sales' amount to US$16.7million (2020: US$ US$13.4 million).

In 2021, there was provision for obsolete inventory of US$105 402 (2020: nil).

12. TRADE AND OTHER RECEIVABLES

	2021 US$	2020 US$
Trade receivables	1 134 318	-
Less: provision for expected credit losses	(4 228)	-
Trade receivables – net	1 130 090	-
Prepayments	4 500 580	4 155 765
Income tax prepayment	1 174 927	-
Other receivables	2 340 676	2 837 821
Related party receivables (note 25.3)	4 477	126 183
	9 150 750	7 119 769

Trade and other receivables are non-interest-bearing and are generally on terms of 30 to 180 days. These terms are normal in the industry and hence the trade and other receivables carrying amount is considered equal to fair value. Expected credit losses of US$4 228 were provided on trade receivables. Prepayments consist of payments in advance of customs duty, insurance and deposit payments for goods and services. Receivables from 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, (2020: $1,272,485) paid to the Zimbabwe Revenue Authority as a deposit for a tax investigation.

Impairment of trade and other receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. The expected loss rates are based on the Group's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customer. The Group has identified the gross domestic product (GDP), interest rates and inflation rate as key macroeconomic factors. As at 31 March 2021 trade receivable had life time expected credit losses of US$ 4 228 (2020: US$ nil).

Set out below is the movements in the allowance for expected credit losses of trade receivables:

	2021 US$	2020 US$
At 1 April	-	-
Provision for expected credit losses	4 228	-
At 31 March	**4 228**	-

Trade receivables (subject to provisional pricing)

Trade receivables (subject to provisional pricing) are non-interest bearing but are exposed to future commodity price movements over the Quotational Period (QP) hence fail SPPI test and are measured at fair value until the date of settlement. The trade receivables are initially 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. The provisional invoiced sale (based on the price at the beginning of the month of shipment) is received when the Nickel concentrates leave the Mine gate. Final settlement is done after 90 to 120 days and is based on agreed final assays and average nickel prices for the month following the month of initial invoicing. The change in the value of these trade receivables of US$ 2 252 023 (2020: US$ (3 002 856) has been recognised in the profit or loss during the year as part of revenue.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 March 2021

13. CASH AND CASH EQUIVALENTS

	2021 US$	2020 US$
Cash and short term deposits	1 937 098	724 063
Bank overdraft (note 15.6)	-	(161 918)
	1 937 098	562 415

14. SHARE CAPITAL AND CAPITAL CONTRIBUTION

14.1 **Authorised:**

	2021 US$	2020 US$
3 000 000 000 ordinary shares at US$0.000 010	30 921	30 921

14.2 **Issued and fully paid:**

	2021 Shares	2020 Shares	2021 US$	2020 US$
At 1 April	1 251 133 797	1 239 656 591	12 896	12 778
Ordinary shares issued	21 601 841	11 474 206	223	118
At 31 March	1 272 735 638	1 251 130 797	13 119	12 896

14.3 During the year, employees exercised their rights to purchase shares as part of an employee share option scheme. 21 601 841 shares (2020:11 474 206 shares) were purchased at a nominal value of US$0.000 010 307 at an average price of US$0.0007 per share (2020: US$0.003)

14.4 Subject to the right of the shareholders to take up new shares in proportion to their existing holdings and to Section 98 of the Companies and Other Business Entities Act (Chapter 24:31), unissued shares are under the control of the Directors.

14.5 **Capital contribution**

The parent company forgave related party balances amounting to US$ Nil (2020: US$3 544 616) owed by the Group. The amount was recognised as a capital contribution by the parent company net of tax.

	2021 US$	2020 US$
Forgiveness of related party payables	2 631 877	2 631 877
	2 631 877	2 631 877

15. INTEREST BEARING LOANS & BORROWINGS

		2021 US$	2020 US$
15.1	**Current portion**		
	Asset financing loan	-	754 682
	Smelter Restart Bond	-	201 667
	Bank overdraft	-	161 918
		-	1 118 267

At year end, the Group had a bank overdraft facility amounting to US$2.5 million which was not utilised.

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

2021

	1-Apr-20 US$	Cash flows US$	Foreign currency changes US$	Interest US$	31-Mar-21 US$
Interest-bearing borrowings	956 349	718 216	(1 678 953)	4 388	-

2020

	1-Apr-19 US$	Cash flows US$	Foreign currency changes US$	Interest US$	Loan forgiveness US$	31-Mar-20 US$
Interest-bearing borrowings	5 901 770	(852 893)	(4 111 907)	41 021	(21 642)	956 349

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 March 2021

16. ENVIRONMENTAL REHABILITATION PROVISION

	2021 US$	2020 US$
At 1 April	9 943 733	10 232 959
Unwinding of discount	37 359	159 494
Change in estimate recognised as part of asset (note 10.6)	(44 262)	(448 720)
At 31 March	9 936 830	9 943 733
Significant assumptions used in calculating the provision:		
Discount rate	2%	1%
Inflation rate	3%	2%
Life of mine (years)	8	8

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 2029, 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 increase 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.

17. DEFERRED TAXATION

Analysis of deferred tax liability as at 31 March 2021:

	Balance at 31 March 2020 US$	Recognised in profit or loss US$	Balance at 31 March 2021 US$
Property, plant and Equipment	20 197 311	1 040 957	21 238 268
Exchange differences	117 777	(712 937)	(595 160)
Leave pay accrual	(335 989)	(36 184)	(372 173)
	19 979 099	291 836	20 270 935
Analysis of deferred tax liability as at 31 March 2020			
Property, plant and Equipment	19 828 966	368 345	20 197 311
Exchange differences	3 642 752	(3 524 975)	117 777
Leave pay accrual	(293 370)	(42 619)	(335 989)
Assessable tax losses	(5 389 482)	5 389 482	-
	17 788 866	2 190 233	19 979 099

Deferred tax liabilities have been recognised in respect of taxable temporary differences amounting to US$82 002 164 (2020: US$77 588 734). As at year end, the Group had assessed tax losses amounting to US$ nil (2020: nil).

18. LEASE LIABILITY

	Land and buildings 2021 US$	Land and buildings 2020 US$
At 1 April	**41 672**	-
Additions	-	56 244
Interest expense	6 268	1 670
Foreign exchange movements	(12 305)	(16 242)
Payments	(22 935)	-
At 31 March	**12 700**	**41 672**
Non-current portion	11 757	36 324
Current portion	943	5 348
	12 700	**41 672**

Lease liability maturity analysis

At 31 March 2021	**Up to 3 months**	**Between 3 & 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**
Lease liabilities	1 312	3 935	5 246	7 870

Lease liability maturity analysis

At 31 March 2020				
Lease liabilities	4 428	13 284	17 712	47 232

19. TRADE AND OTHER PAYABLES

	2021 US$	2020 US$
Trade payables	9 954 519	5 003 238
Other payables	6 248 811	6 671 707
Employee payables	3 187 447	2 815 058
Marketing payables	65 016	81 593
Leave pay accrual	1 342 608	1 239 812
Retrenchment	811 974	1 743 901
Sundry payables	841 766	791 343
Related parties (note 25.4)	2 303 017	1 107 557
	18 506 347	12 782 502

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.

Sundry payables are liabilities incurred which are not directly related to the production of nickel concentrate such as audit fees and director's fees. Employee payables are employee related liabilities and statutory deductions such as NEC, NSSA, medical aid and pensions.

Trade and other payables increased during the year due to the shutdown which occurred to facilitate the re-deep tie in project. The Group was not generating any income to settle its obligations as there was no production which was taking place during the shutdown.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 March 2021

19. TRADE AND OTHER PAYABLE (Cont'd)

19.1 Reclassification of leave pay accrual

During the current financial year, leave pay accrual was disaggregated from employee payables to be presented separately within trade and other payables resulting, in leave pay accrual of US$1 342 608 (2020: US$1 239 812) being presented separately. This was done to show leave pay accrual separately since it is material. This change in presentation had no impact on profit or loss and trade and other payables, and only affected the presentation of items within trade and other payables.

20. PROVISIONS

	Provisions at the beginning US$	Additional provisions US$	Foreign Exchange (Gain)	Amounts settled US$	Provisions at the end US$
2021					
Legal	79 271	13 495	(56 944)	-	35 822
	79 271	13 495	(56 944)	-	35 822
2020					
Legal	491 539	-	(412 268)	-	79 271
	491 539	-	(412 268)	-	79 271

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

21. INVESTMENTS IN SUBSIDIARY COMPANIES

	2021 US$	2020 US$
Trojan Nickel Mine Limited	34 780 272	34 440 604
BSR Limited	685	685
	34 780 957	34 441 289

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	2021 % holding	2020 % 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.

21.1 AMOUNTS DUE FROM SUBSIDIARY COMPANIES

	2021	2020
Trojan Nickel Mine Limited	1 367 454	1 449 616
	1 367 454	1 449 616

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 remain 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.

	2021 Weighted average average Exercise price (ZWL cents)	2021 Number	2020 Weighted average average Exercise price (ZWL cents)	2021 Number
Outstanding at 1 April	**4.3**	**54 146 649**	**4.3**	**83 673 859**
Forfeited	4.3	-	4.3	(18 053 004)
Exercised during the year	4.3	(21 601 841)	4.3	(11 474 206)
Outstanding at 31 March	4.3	32 544 808	4.3	54 146 649

The total share-based payment expense during the year was US$339 668 (2020: US$1 112 094)

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 (2020: ZWL4.3cents per share).

Of the total number of options outstanding at 31 March 2021, 9 613 228 (2020: 21 336 222) 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.

23. COMMITMENTS AND CONTINGENCIES

	2021 US$	2020 US$
Capital commitments		
Contracted	5 932 626	6 512 448
Authorised but not contracted	-	-
	5 932 626	6 512 448

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 March 2021

24. 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.

	2021 US$	2020 US$
Pension costs recognised in profit or loss:		
Mining Industry Pension Fund	644 638	608 871
National Social Security Authority	168 122	162 738
	812 760	771 609

25. 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, Kuvimba Mining House (Private) Ltd., has a material interest.

25.1 Identification of related parties

The following is a list of related parties of the Company as at 31 March 2021:

Subsidiaries

Trojan Nickel Mine Limited

BSR Limited (currently dormant)

Key management personnel

Directors

Name	Position
T Lusiyano	Managing Director (Appointed 9 November 2020)
B Manhando	Managing Director (Resigned 9 November 2020)
P Maseva-Shayawabaya	Finance Director (Appointed 1 April 2021)
M A Masunda	Chairman
J C Behr	Non-Executive Director
D H Brown	Non-executive Director
O Chimuka	Non-Executive Director
C Fourie	Non-Executive Director (Resigned 8 July 2020)
C C Jinya	Non-Executive Director (Appointed 1 February 2021)
C D Malaba	Non-executive Director (Appointed 1 December 2020)
C G Meerholz	Non-Executive Director
R Nhamo	Non-executive Director (Appointed 1 December 2020)

25. RELATED PARTY TRANSACTIONS (Cont'd)

Management

L Ambress	Engineering Manager
N Gwatura	Mine Manager
J Kasumba	Technical Services Manager
C F Mukanganga	Company Secretary
S Masvipe	Finance Manager
R Mushati	Human Resources Manager (Appointed 1 June 2021)
C Nkhoma	SHEQ and Metallurgical Projects 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

	2021 US$	2020 US$
Short term employee benefits	1 914 123	1 680 663
Share-based payment expense*	473 959	178 360
Post-employment pension benefits*	121 914	115 741
Termination benefits	261 196	2 255 191
	2 771 192	**4 229 955**

*Post-employment pension benefits and share-based payment expense were not disclosed in the prior year.

List of related party entities

- Kuvimba Mining House (Private) Limited – ultimate parent company.
- Freda Rebecca Gold Mine (Private) Limited, Gold Fields of Shamva (Private) Limited, Jena Gold Mines (Private) Limited, Great Dyke Investments (Private) Limited and Freda Rebecca Holdings (Private) Limited – fellow subsidiaries.
- Greenline Enterprises Limited – fellow subsidiary.
- Quorus Management Services (Private) Limited.

		2021 US$	2020 US$
25.2	**Transactions**		
	Freda Rebecca Gold Mine Limited		
	- production consumables purchased	71 772	73 656
	- milling equipment sold	107 658	97 074
	Jena Mines (Private) Limited		
	- Scrap material sold	4 477	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 March 2021

25. RELATED PARTY TRANSACTIONS (Cont'd)

25.3 Amounts owing from related parties

Name of company	Relationship	2021 US$	2020 US$
Mwana Properties (Private) Limited	Common control	-	105 895
Asa Services (Zimbabwe) Limited	Common control	-	20 288
Jena Mines (Private) Limited	Common control	4 477	-
		4 477	126 183

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 charged. Related party receivables amounting to US$126 183 were written off as they were assessed an unrecoverable.

25.4 Amounts owing to related parties

Name of company	Relationship	2021 US$	2020 US$
Kuvimba Mining House*	Holding company	617 647	617 647
Greenline Enterprise Limited*	Common control	2 502	2 502
Freda Rebecca Gold Mine Ltd*	Common control	307 978	487 408
Quorus Management Services*	Significant influence	1 374 890	-
		2 303 017	1 107 557

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

26. 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).

27. TREASURY AND FINANCIAL RISK MANAGEMENT

27.1 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$), hence exposure to exchange rate fluctuations arises. The currency giving rise to the currency risks is primarily the South African Rand (ZAR) and the RTGS dollar (ZW$). 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 2021	Cash and bank	Payables	Loans	Net exposure
ZAR	1 149	(260 223 682)	-	(260 223 682)
ZW$	3 340 575	(9 417 975)	-	(6 077 400)
EUR	40 105	-	-	40 105
31 March 2020				
ZAR	1 014	(7 729 558)	-	(7 728 544)
ZW$	709 089	(11 457 475)	(7 083 333)	(17 813 719)
EUR	13	-	-	13

Sensitivity analysis

The after tax effects on profit or loss of the Group, of a 10% (2020: 10%) depreciation and appreciation in the United States dollar against the following currencies, to the cross exchange rates as at 31 March 2021, are reflected below.

	Exchange rate	Equity US$	Profit or loss US$
March 2021			
ZAR (Appreciation)	13.44	(28 754)	(28 754)
ZAR (Depreciation)	16.43	23 526	23 526
ZW$ (Appreciation)	75.96	(70 057)	(70 057)
ZW$ (Depreciation)	92.84	57 320	57 320
31 March 2020			
ZAR (Appreciation)	16.11	(48 394)	(48 394)
ZAR (Depreciation)	19.70	39 595	39 595
ZW$ (Appreciation)	22.50	(110 403)	(110 403)
ZW$ (Depreciation)	27.50	90 330	90 330

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 March 2021

27. TREASURY AND FINANCIAL RISK MANAGEMENT (Cont'd)

27.2 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.

27.3 Commodity price risk

For the 2021 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.

	2021 US$'000'	2020 US$'000'
Effect on equity and results:		
Effect on 10% decrease in nickel price on profit before tax	(5 917)	(5 235)
Effect on 10% increase in nickel price on profit before tax	5 917	5 235

27.4 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:

	2021 US$	2020 US$
Carrying amount		
Third party trade receivables	1 130 090	-
Group trade receivables	4 477	126 183
Other receivables	2 340 676	130 441
Cash and cash equivalents	1 937 098	724 214
Total Loans and receivables	5 412 341	980 838

The Group's trade receivables are mainly due from one customer. 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.

27. TREASURY AND FINANCIAL RISK MANAGEMENT (Cont'd)

27.5 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 2021, to renegotiate facilities in line with working capital requirements.

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$	0-6 months US$	6 months or more US$
31 March 2021				
Non-derivative financial Liabilities				
Amounts owing to related parties	2 303 017	2 303 017	2 303 017	-
Trade payables	9 954 519	9 954 519	9 954 519	-
Other payables	6 248 810	6 248 810	6 248 810	-
Interest bearing borrowings	-	-	-	-
	18 506 347	18 506 347	18 506 347	-
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	-

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 2021 (2020: nil).

27.6 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)

for the year ended 31 March 2021

27. TREASURY AND FINANCIAL RISK MANAGEMENT (Cont'd)

27.6 Capital management (Cont)

	2021 US$	2020 US$
Gearing		
Interest bearing borrowings	-	1 118 267
Accounts payable and accrued liabilities	18 554 869	12 903 445
Less cash and short-term deposits	(1 937 098)	(724 214)
Net debt	**16 617 771**	**13 297 498**
Equity	51 950 346	49 850 788
Capital and net debt	**68 568 117**	**63 148 286**
Gearing ratio	**24%**	**21%**
Profit after tax	1 748 298	886 637
Equity	51 950 346	49 850 788
Return on capital (Equity)	**3.4 %**	**1.8 %**

Accounts payable and accrued liabilities includes provisions balance.

28. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Fair value of trade receivables, interest bearing borrowings and all other receivables and payables approximates their carrying amount.

Fair value hierarchy

The Group used the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable either directly or indirectly.

Level 3: techniques that use inputs that have significant effect on the recorded fair value that are not based on observable market data.

Recurring fair value measurements

31/03/2021	**Level 1**	**Level 2**	**Level 3**
Trade receivables subject to provisional pricing	-	1 343 740	-
31/03/2020			
Trade receivables subject to provisional pricing	-	-	-

28. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (Cont'd)

Valuation techniques

During the period, the Group had trade receivables (subject to provisional pricing) arising from provisional pricing sales arrangements which the Group entered into with some of its metals in concentrate customers. Final settlement value would be based on final dry weight, agreed assays and final prices which were to be determined at the end of the Quotational Period (QP), usually 60 days after date of shipment. The QP is the period after the physical shipment of goods during which the price and grade of mineral sold is subject to change due to fluctuations in commodity prices.

Description of valuation technique used and key inputs to valuation of the trade receivables.

Type of financial instrument	31/03/2021	31/03/2020	Valuation technique	Significant inputs
Trade receivables (subject to provisional pricing)	1 343 740	-	DCF	Estimated future commodity prices. Quantities and final assays.

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 12 months from the date of approval of these financial statements.

While the Group earned a profit before taxation for the year ended 31 March 2021 amounting to US$3.1 million (2020: US$2.3 million), and while at that date its current assets exceeded current liabilities by US$2.1 million (2020: US$3.9 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 15% to settle at US$16 460 per tonne compared to US$ 13 919 per tonne in 2020. 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 March 2021

29. GOING CONCERN (Cont'd)

- In assessing the future cash flows of the Group, average Nickel prices have been assumed as follows: US$16 100 per tonne for the period April 2021 to March 2022, US$16 900 per tonne from April 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 March 11, 2020 the World Health Organization 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 Novel Coronavirus (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 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 Director's view that the disruptions caused by COVID-19 will not significantly affect operations.

  The Government declared national lockdowns in order to curb the effect of COVID-19. The Group has been operating during the lockdown periods 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. 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 Directors have concluded that the Group will continue operating in the future as a going concern.

30. EVENTS AFTER THE REPORTING DATE

30.1 Approval of financial statements

The financial statements were approved by the board of directors on 24 June 2021.

30.2 Impact of COVID-19

Refer to note 29.

TOP 20 SHAREHOLDERS
for the year ended 31 March 2021

Rank	Account Name	Shares	% of Total
1	KUVIMBA MINING HOUSE (PRIVATE) LIMITED	926,610,403	73.24
2	NATIONAL SOCIAL SECURITY AUTHORITY	87,177,370	6.89
3	MELLOFIELDDE CHEMICALS (PRIVATE) LIMITED	45,155,867	3.57
4	STANBIC NOMINEES (PRIVATE) LIMITED	40,973,439	3.24
5	MEGA MARKET (PRIVATE) LIMITED	15,275,788	1.21
6	ABC ASSET MANAGEMENT (PRIVATE) LIMITED	10,867,237	0.86
7	ENGINEERING AND ELECTRICAL SUPPLIES	8,475,864	0.67
8	NSSA STAFF PENSION FUND - ABC	7,362,193	0.58
9	EGASIS INVESTMENTS	6,695,972	0.53
10	PUBLIC SERVICE COMMISS PF-ABC	6,114,838	0.48
11	SUNCOLD INVESTMENTS (PRIVATE) LIMITED	5,370,943	0.42
12	ESTATE LATE DAVID E MURANGARI	4,625,810	0.37
13	STANBIC NOMINEES (PRIVATE) LIMITED - NNR	3,147,869	0.25
14	SECURICO SERVICES	3,083,368	0.24
15	MMCZ STAFF PENSION FUND - ABC	2,888,042	0.23
16	NICAL (PRIVATE) LIMITED	2,625,334	0.21
17	PIM NOMINEES (PRIVATE) LIMITED	2,320,846	0.18
18	PSMAS PENSION FUND-ABC	2,163,228	0.17
19	GONA, BERNARD RWATINYANYA	2,144,513	0.17
20	DATVEST NOMINEES (PRIVATE) LIMITED	2,141,128	0.17
	Total	**1,185,220,052**	**93.68**
	Other Shareholders	**79,977,221**	**6.32**
	Total	**1,265,197,273**	**100.00**

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the 55th Annual General Meeting ("AGM") of Members of Bindura Nickel Corporation Limited will be held virtually on Wednesday, 29 September 2021 at 9 am, for the purpose of transacting the following business:

ORDINARY BUSINESS

1. **Virtual AGM**
To note and approve the convening of the 55th 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 2021.

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:

- Dr. Charity Chiratidzo Jinya
- Mrs. Cynthia Dinka Malaba
- Mr. Muchadeyi Ashton Masunda
- Mrs. Roseline Nhamo

The profiles of the Directors seeking re-election are provided fully in the Annual Report from pages 32 to 34.

3.2 To fix the remuneration of the Directors for the year ended 31 March 2021. 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 sixth year as Auditors of the Company.

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

5. **Any Other Business**

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.

BY ORDER OF THE BOARD

C. F. Mukanganga
Company Secretary
7 September 2021

CORPORATE INFORMATION
for the year ended 31 March 2021

REGISTRATION NUMBER
552/66

REGISTERED AND CORPORATE OFFICES

Bindura Nickel Corporation Limited
Trojan Mine Road
Bindura, Zimbabwe

LEGAL ADVISORS

Chimuka Mafunga Commercial Attorneys
9th Floor, ZB Life Towers,
Corner Sam Nujoma Street/Jason Moyo Avenue, Harare
Zimbabwe

Dube, Manikai and Hwacha Legal Practitioners
Eastgate mall
Harare
Zimbabwe

Gill, Godlonton and Gerrans Legal Practitioners
Beverley Court
100 Nelson Mandela Avenue
Harare
Zimbabwe

Mawere Sibanda Commercial Lawyers
10th Floor, Chiedza House, Corner First Street/
Kwameh Nkrumah Avenue, Harare

AUDITORS

Ernst & Young Chartered Accountants
Angwa City, Corner Julius Nyerere Way
and 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

SHARE TRANSFER SECRETARIES

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

SUSTAINABILITY ADVISORS

Institute for Sustainability Africa (INŚAF)
22 Eastlea Hill Avenue
Eastlea, Harare

SHARE PRICE INFORMATION AS AT 31 MARCH 2021

As At 31 March 2021	
Exchange:	Zimbabwe Stock Exchange (ZSE)
Shares in issue:	1,272,732,638
Shares price:	ZW$ 4.3824
Market capitalization:	ZW$ 5,577,623,513

FORM OF PROXY 2021

For use at the 55th Annual General Meeting ("AGM") of Bindura Nickel Corporation Limited ("the Company") to be held virtually on Wednesday, 29 September 2021 at 9 am.

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

of ....
Being a member of Company

And entitled to ....votes

Hereby appoint ....of...

....

Or failing him/her..of..

....

ORDINARY RESOLUTIONS

Resolution	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 2021			
3. Re-election of Mrs Charity Chiratidzo Jinya (Dr)			
4. Re-election of Mrs Cynthia Dinka Malaba			
5. Re-election of Mr Muchadeyi Ashton Masunda			
6. Re-election of Mrs Roseline Nhamo			
7. To fix the Remuneration of Directors for the year ended 31 March 2021			
8. To re-appoint Ernst & Young Chartered Accountants (Zimbabwe) for the ensuing year, being their sixth year as Auditors of the Company.			
9. To fix the remuneration of the Auditors for the past audit			

Full Name____

Signature____

Dated this______________of ______________2021

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 need not be signed 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

Transfer Secretaries
(Shares)

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

GRI CONTENT INDEX

GRI Content Index					
GRI Standard	Disclosure	Page number(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclousers 2016	**Organizational profile**				
	102-1 Name of the organization	Cover Page			
	102-2 Activities, brands, products, and services	8			
	102-3 Location of headquarters	140			
	102-4 Location of operations	6			
	102-5 Ownership and legal form	8-9; 138			
	102-6 Markets served	11			
	102-7 Scale of the organization	6,12-13			
	102-8 Information on employees and other workers	71-73			
	102-9 Supply chain	83-84			
	102-10 Significant changes to the organization and its supply chain	76, 84			
	102-11 Precautionary Principle or approach	45-47			
	102-12 External initiatives	9, 77			
	102-13 Membership of associations	9			
	Strategy				
	102-14 Statement from senior decision-maker	30			
	Ethics and integrity				
	102-16 Values, principles, standards, and norms of behavior	4-5, 44			
	Governance				
	102-18 Governance structure	38-39			
	Stakeholder engagement				
	102-40 List of stakeholder groups	52			
	102-41 Collective bargaining agreements	71			
	102-42 Identifying and selecting stakeholders	52-53			
	102-43 Approach to stakeholder engagement	53			
	102-44 Key topics and concerns raised	53			
	Reporting practice				
	102-45 Entities included in the consolidated financial statements	8, 127			
	102-46 Defining report content and topic Boundaries	56			
	102-47 List of material topics	55			
	102-48 Restatements of information	1			
	102-49 Changes in reporting	1	This is the first BNC report prepared in accordance with the GRI Standards		
	102-50 Reporting period	1, 56			
	102-51 Date of most recent report	1, 56	30 March 2020		
	102-52 Reporting cycle	56			
	102-53 Contact point for questions regarding the report	1			
	102-54 Claims of reporting in accordance with the GRI Standards	1, 56			
	102-55 GRI content index	143-146			
	102-56 External assurance	1, 56			

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
200 series (Economic topics)					
Economic Performance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 79			
	103-2 The management approach and its components	79-80			
	103-3 Evaluation of the management approach	80			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	80			
	201-3 Defined benefit plan obligations and other retirement plans	81			
Indirect Economic Impacts					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 77			
	103-2 The management approach and its components	77			
	103-3 Evaluation of the management approach	77			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	77			
Procurement Practices					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 83			
	103-2 The management approach and its components	83-84			
	103-3 Evaluation of the management approach	84			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	84			
Tax					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 81			
	103-2 The management approach and its components	81-82			
	103-3 Evaluation of the management approach	82			
GRI 207: Tax 2019	207-1 Approach to Tax	81			
	207-2 Tax governance, control and risk management	81			
	207-3 Stakeholder engagement and management of concerns related to tax.	82			

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
300 series (Environmental topics)					
Energy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 64			
	103-2 The management approach and its components	64			
	103-3 Evaluation of the management approach	64			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	64			
	302-2 Energy consumption outside of the organization	64			
Water					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 62			
	103-2 The management approach and its components	62			
	103-3 Evaluation of the management approach	63			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	62			
	303-5 Water consumption	62			
Waste					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 58			
	103-2 The management approach and its components	58			
	103-3 Evaluation of the management approach	58			
Waste 2020	306-3 Waste generated	58			
	306-5 Waste directed to disposal	58			
Biodiversity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 67			
	103-2 The management approach and its components	67			
	103-3 Evaluation of the management approach	59, 67			
GRI 304: Biodiversity	304-2 Significant impacts of activities, products, and services on biodiversity.	67			

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s) and/or	Omission		
			Part Omitted	Reason	Explanation
400 series (Social topics)					
Employment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 71			
	103-2 The management approach and its components	71			
	103-3 Evaluation of the management approach	73			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	72-73			
Occupational Health and Safety					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 68			
	103-2 The management approach and its components	68			
	103-3 Evaluation of the management approach	70			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	68			
	403-2 Hazard Identification and Risk Assessment	68			
	403-3 Occupational health services	68			
	403-4 Worker participation, consultation and communication on occupational health and safety.	68-69			
	403-5 Worker training on occupational health and safety.	69			
	403-6 Promotion of worker health.	68			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	69			
Training and Education					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 74			
	103-2 The management approach and its components	74			
	103-3 Evaluation of the management approach	74			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	N/A	The business was not able to quantify the average training hours due to disruptions caused by COVID 19		
Diversity and Equal Opportunity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 73			
	103-2 The management approach and its components	73			
	103-3 Evaluation of the management approach	73			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	73			
Freedom of Association and Collective Bargaining					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 71			
	103-2 The management approach and its components	71			
	103-3 Evaluation of the management approach	71			
Human Rights Assessment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 75			
	103-2 The management approach and its components	75			
	103-3 Evaluation of the management approach	75			
Socioeconomic Compliance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	44, 56			
	103-2 The management approach and its components	44			
	103-3 Evaluation of the management approach	44			
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	44			

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