A Member of Kuvimba Mining House

INTERIM CONDENSED FINANCIAL RESULTS

For The Half Year Ended 30 Sepetmber 2021







NOTICE TO SHAREHOLDERS

The Board is pleased to report on the performance of the Company for the half-year ended 30 September 2021

SALIENT FEATURES

- As at 30 September 2021, 76.5% of all employees had been fully vaccinated against COVID-19. All employees have since been fully vaccinated.
- Two (2) Lost Time Injuries recorded in the period
- 2,553 tonnes of nickel in concentrate produced, 13% lower than for the same period last year due to lower grade and late resumption of production, as a result of the delayed completion of Re-deep Tie-in project.
- 2,549 tonnes of nickel in concentrate sold, marginally lower than for the same period last year.
- C1 unit cash cost of US\$9,045 per tonne, compared to US\$6,067 for the same period last year due to the lower production and increase in operating costs.
- Average LME nickel price of US\$18,234 per tonne, 38% higher than for same period last year.
- Revenue of US\$35.3 million, 41% higher than for the same period last year in line with increase in nickel price.
- Profit before tax of US\$6.2 million, up 31% on US\$4.7 million for the same period last year.
- Profit after tax of US\$5.8 million, 70% higher than for the same period last year.
- Equipment replacement and upgrade programme continued with US\$4.7 million capital expenditure.
- Post period-end, the Board resolved to migrate the Company's listing to the Victoria Falls Stock Exchange.

RESULTS SUMMARY

	Unit of measure	6 months to 30/09/2021	6 months to 30/09/2020	% Variance
Nickel in concentrate produced	tonnes	2,553	2,929	(13.0)
Nickel in concentrate sold	tonnes	2,549	2,566	(0.8)
Average LME nickel price per tonne	US\$	18,234	13,214	38.0
Revenue	US\$	35,260,965	25,036,354	41.0
Profit before taxation	US\$	6,198,214	4,727,922	31.0
Profit after taxation	US\$	5,846,974	3,427,915	70.6
Capital expenditure	US\$	4,711,316	1,597,763	194.9
C1 cash cost per tonne *	US\$	9,045	6,067	(49.1)

ECONOMIC OVERVIEW

The Zimbabwean economy is forecast to grow by between 5% and 7% in 2021, underpinned by a successful 2020/21 agricultural season and high commodity prices. However, the threat of a resurgence of COVID-19, persistent foreign currency shortages, the widening gap between the auction and unofficial exchange rates as well as the potential of an increase in the already high inflation rate, will pose serious threats to continued growth and economic stability

The operating environment for the remainder of the current financial year is therefore expected to remain challenging.

OPERATIONAL PERFORMANCE

Safety, Health, Environment and Quality (SHEQ)

COVID-19 Update

A total of fifty-eight (58) COVID-19 positive cases were recorded among the 1,039 employees during the six months to 30 September 2021, an increase of forty-four (44) positive cases over the same period last year. Trojan Mine Clinic was granted 'Voluntary Vaccination Site' status on 28 July 2021 and vaccinations have been carried out daily since then, aided by the supply of vaccines to the clinic under the Kuvimba Mining House Private Sector Initiative, for the voluntary vaccination of employees and their dependants

As at 30 September 2021, 76.5% of the Company's employees had been fully vaccinated against COVID-19. Since then, all employees

Safety performance in the first quarter was unsatisfactory with two (2) Lost Time Injuries (LTI's) recorded during that period. Safety performance improved in the second quarter with no LTI's recorded and thus, total LTI's for the six months remained at two. Management remains focused on ensuring that the workplace is safe and positive employee behaviour is reinforced to eliminate injuries at work.

Nickel in concentrate production for the half-year to 30 September 2021 was 2,553 tonnes, 13% lower than 2,929 tonnes produced in the same period last year. The decline was mainly due to the head grade of 1.26%, which was 22% lower than for the 6 months to September 2020. In addition, and as previously reported, the late commissioning of the Shaft Re-deep and Tie-in project, resulted in only four (4) days of production in the month of April 2021.

Tonnes ore milled of 241,325 were 15% higher than the 209,153 tonnes ore milled in the same period last year as the mine initiated the transition from the high grade, low volume strategy to the new low grade, high volume strategy. As the high grade massives (which constitute 5% of the resource) get depleted with depth of mining, ore head grade will continue to decline in view of the fact that the Company's ore reserves and resources are predominantly low grade. The new strategy thus presents the most effective model of exploiting the mineral resource whilst guaranteeing the business' long term economic sustainability.

In making the transition to the new mining strategy, the business is also continuing with its capital expenditure/re-investment program, with specific emphasis on replacing the dilapidated and obsolete underground mining mobile equipment. This will assist the business to mine and process higher volumes of ore, as distinct from the historical over-mining of high grade massives, which approach is being corrected through the new mining strategy. In addition, the rate of development underground has been increased to unlock the higher volumes required going into the future.

Recovery at 84.2% was 2.8% lower than in the previous year, in sympathy with the lower head grade.

Nickel sales volume was 2.549 tonnes, which was marginally lower than last year's sales of 2.566 tonnes. The average LME nickel price of US\$18,234 per tonne was 38% higher than the previous year's price of US\$13,214 per tonne, reflecting the global increase in nickel

The C1 cash cost of US\$9,045 per tonne was 49% higher than the previous period's US\$6,067 per tonne, while the C3 All-In Sustaining cost of US\$10,364 per tonne was 52% higher than last year's unit cost of US\$6,819 per tonne. While both are disappointing, they were an inevitable result of lower production arising from the delay in the commissioning of the Shaft Re-deepening Tie-in Project. Nickel production in September 2021 was also lower than plan due to both lower tonnage milled and head grade, a result of poor equipment availabilities and unexpected reduction of higher-grade ore sources. In addition, operating costs for the period were higher than plan due to necessary wage adjustments made in April 2021 to align employee wages to the rest of the mining industry. Further NEC negotiated wage increases were effected in July 2021. Costs were also affected by the adverse impact on local operating costs arising out of the disparity between the auction rates and unofficial foreign exchange rates that suppliers use in their pricing models, coupled with the high cost of maintaining the old and obsolete mining equipment.

In terms of the Exchange Control regulations, 40% of the Company's export revenue is compulsorily surrendered to the Reserve Bank of Zimbabwe for Z\$ converted at the auction rate. For the six months to September 2021, the Z\$ auction rate devalued by just under 4% while the Z\$ exchange rate on the parallel market, which local suppliers use in their pricing models, devalued by approximately 50%. The combination of compulsory surrender of 40% of revenue and the discrepancy between the auction and parallel market rates, resulted in an estimated loss to the Company of US\$1.2 million for the six months.

The industrial relations atmosphere remained calm throughout the six-month period, as Management continued to proactively and constructively engage employees on all pertinent issues

Capital Expenditure

The Company continued with its on-going programme to replace old and obsolete mobile mining equipment. Total capital expenditure for the period was US\$4.7 million of which US\$1.2 million was spent on a new exploration drill rig, a Load, Haul and Dump (LHD) machine and also on major rebuilds of existing LHDs and rigs. A total of US\$1.1 million was spent on Haulage and Ramp developments to provide operational access to deeper resources

The Sub-vertical Rock Winder was upgraded at a cost US\$448,000 while US\$402,000 was spent on the refurbishment of the Concentrator. Both were carried out in April 2021 during the Shaft Re-deepening shut down.

FINANCIAL RESULTS

Income Statement

Although sales volume was in line with the volume sold in the comparative period last year, revenue increased by 41% to US\$35.3 million from US\$25 million, on account of improved nickel prices.

Cost of sales however, increased by 44% to US\$24.3 million, compared to US\$16.9 million for the same period last year. The increase in cost of sales was a result of the following factors:

- Increase in depreciation charge on capitalisation of assets.
- High cost of refurbishing and maintaining old and obsolete mining mobile equipment.
- Increase in employee wages to align with the industry averages.
- Increase in local operating costs which tend to be influenced more by the alternative market exchange rate.

Gross profit of US\$10.9 million was 35% higher than last year's figure of US\$8.1 million, in line with the increase in revenue.

Administrative costs for the period of US\$3.3 million were 120% higher than the US\$1.6 million for the prior period mainly due to the

- Increase in wages and salaries as referred to above
- Increase in Intermediated Money Transfer Tax and bank charges.
- Shangani Mine care and maintenance costs.

Net exchange loss for the period amounted to US\$67,467 and was 96% lower than the US\$1.5 million for the same period last year due to a more stable auction exchange rate during the half-year period under review.

Profit from operating activities of US\$6.2 million was achieved, compared to US\$4.7 million in the first half of last year, an increase of 31%.

Profit and total comprehensive income for the period was US\$5.8 million, compared to US\$3.4 million for the same period last year, reflecting the positive impact of improved nickel prices.

Cash Flow Statement

Net cash flow generated from operating activities amounted to US\$2.0 million, compared to a negative US\$0.3 million for the same period last year. However, capital expenditure of US\$4.7 million and net cash inflows from financing activities of US\$0.4 million resulted in a net decrease in cash and cash equivalents of US\$2.3 million. Thus, the cash and cash equivalents balance at 30 September 2021, was a negative US\$0.5 million

THE MARKET

The average LME cash settlement price for the half-year under review was \$18,234 per tonne which was 38% higher than for the same period last year (\$13,214 per tonne). The table below shows the monthly average LME nickel prices for the six-month period ended 30 September 2021

MONTH	PRICE PER TONNE (US\$/t)	TONNES SOLD (tNi)
April	16,480	-
May	17,606	589
June	17,943	565
July	18,817	623
August	19,160	443
September	19,398	329
Average Price per tonne/Total tonnes sold	18,234	2,549

OUTLOOK FOR THE YEAR ENDING 31 MARCH 2022

Poor equipment availabilities combined with lower than expected massive grades in September and October 2021 resulted in nickel production for both months being lower than plan. The focus during the remainder of the year will, therefore, be on recovering the nickel in concentrate production deficit and managing costs. Nickel in concentrate production for the full year is thus still expected to be about

Nickel prices rose to a seven-year high of \$20,060 per tonne on the 17th of September 2021, supported by unanticipated demand as Chinese stainless-steel producers ramped up production ahead of the government sanctioned production cuts, due to power rationing. The September 2021 seven-year high was surpassed on the 21st of October 2021 as prices reached \$20,530 per tonne in response to

Fundamentals are strong and supportive of a nickel price increase. The International Nickel Study Group (INSG) (2021) reports that the nickel market was in a 142 000-tonne deficit in the first eight months of the calendar year. Nickel demand from electric vehicles remains high as electric vehicle production and sales in China and Europe reach record highs. LME nickel inventories continued on a downward trend, dropping to 162,690 tonnes at the end of September 2021, compared to 259 182 tonnes at the start of the financial year. Falling stocks and rising energy costs are expected to result in higher prices, going into the next half of the year.

The average LME nickel price is forecast to remain above US\$18,000 per tonne for the rest of the financial year.

Mr. Jozef Clifford Behr resigned from the Board on 30 September 2021. He had joined the Board on 1 November 2019 as a Non-Independent, Non-Executive Director. He was actively involved in the corporate restructuring that resulted in the eventual assumption by Kuvimba Mining House, of majority control of the Company. We thank Mr. Behr for his contribution to the affairs of the Company, including his able chairmanship of the Audit Committee. We wish Mr. Behr success in his future endeavours.

Mr. Michiel Jakobus Bronn was appointed a Non-Executive Director on 1 October 2021. Mr. Bronn is a seasoned mining engineer with over 30 years executive mining and project management experience in the gold, PGM and coal sectors in South Africa. Mr. Bronn joined Kuvimba Mining House in May 2020 as Group Chief Operations Officer, a role in which he has responsibility for managing all group mining assets to ensure they meet their respective business objectives.

The Board extends a warm welcome to Mr. Bronn and looks forward to his contributions.

MIGRATION OF LISTING FROM THE ZIMBABWE STOCK EXCHANGE ("ZSE") TO THE VICTORIA FALLS STOCK EXCHANGE ("VFEX")

On 15 October 2021, the Board considered and approved a proposal by Management for the Company to be delisted from the ZSE and to subsequently list on the VFEX. A circular with details of the proposal and the benefits thereof has been sent to Shareholders ahead of an Extra-Ordinary General Meeting scheduled for 13 December 2021.

On behalf of the Board **Bindura Nickel Corporation Limited**

M.A. Masunda Chairman

25 November 2021

A Member of Kuvimba Mining House

INTERIM CONDENSED FINANCIAL RESULTS

For The Half Year Ended 30 Sepetmber 2021

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

	Notes	REVIEWED 30/09/2021 US\$	REVIEWED 30/09/2020 US\$
Revenue	5	35 260 965	25 036 354
Cost of sales		(24 316 345)	(16 934 025)
Gross Profit		10 944 620	8 102 329
Other income		141 091	600 276
Selling and distribution expenses		(1 111 196)	(750 004)
Administrative expenses		(3 326 402)	(1 511 349)
Net exchange loss		(67 467)	(1 559 887)
Exchange gains		3 268 101	12 989 143
Exchange losses		(3 335 568)	(14 549 030)
Profit from operating activities		6 580 646	4 881 365
Net finance costs		(382 432)	(153 443)
Finance income based on EIR		37	88
Finance costs		(382 469)	(153 531)
Profit before taxation		6 198 214	4 727 922
Taxation	7	(351 240)	(1 300 007)
Profit for the half-year		5 846 974	3 427 915
Profit and total comprehensive income for the period		5 827 286	3 427 915
Basic earnings per ordinary share (cents)		0.46	0.30
Diluted earnings per ordinary share (cents)		0.46	0.30

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

	Notes	REVIEWED	REVIEWED
		30/09/2021	30/09/2020
		US\$	US\$
ASSETS			
Non-current assets			
Property, plant and equipment	8	82 281 537	80 071 425
Current assets			
Inventories		11 130 874	9 553 707
Trade and other receivables	9	14 410 542	7 975 823
Income tax prepayment	10	502 358	1 174 927
Cash and short-term deposits		1 000 945	1 937 098
		27 044 719	20 641 555
Total assets		109 326 256	100 712 980
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	13 189	13 119
Share premium		32 354 019	32 339 248
Capital Contribution		2 631 877	2 631 877
Retained earnings		20 335 053	14 488 079
Share-based payment reserve		2 554 544	2 478 023
		57 888 682	51 950 346
Non-current liabilities			
Environmental rehabilitation provision		9 987 555	9 936 830
Deferred taxation		19 949 606	20 270 935
Lease liability		57 009	11 757
		29 994 170	30 219 522
Current liabilities			
Trade and other payables	12	19 536 040	18 506 347
Provisions		13 759	35 822
_ease liability		21 831	943
Short term borrowings		1 871 774	-
		21 443 404	18 543 112
Total equity and liabilities		109 326 256	100 712 980

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

	Share capital	Share premium	Capital contribution	Share-based payment reserve	Retained earnings	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balances as at 1 April 2021	13 119	32 339 248	2 631 877	2 478 023	14 488 079	51 950 346
Issue of shares	70	14 771	-	-	-	14 841
Share-based payment expense	-	-	-	76 521	-	76 521
Total comprehensive income for the half year Total profit and other comprehensive income for the half year attributable to ordinary shareholders	-	-	-	-	5 846 974	5 846 974
Balances as at 30 September 2021	13 189	32 354 019	2 631 877	2 554 544	20 335 053	57 888 682

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

	Share capital	Share premium	Capital contribution	Share-based payment reserve	Retained earnings	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balances as at 1 April 2020	12 896	32 327 879	2 631 877	2 138 355	12 739 781	49 850 788
Issue of shares	49	3 445	-	-	-	3 494
Share-based payment expense	-	-	-	178 526	-	178 526
Total comprehensive income for the half year Total profit and other comprehensive income for the half year attributable to ordinary shareholders	-		-	-	3 427 915	3 327 915
Balances as at 30 September 2020	12 945	32 331 324	2 631 877	2 316 881	16 167 696	53 460 723

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

	Notes	REVIEWED	REVIEWE
		30/09/2021	30/09/2020
		US\$	US
Cash flows from operating activities			
Profit before taxation		6 198 214	4 727 92
Adjusted for			
Depreciation of property, plant and equipment		2 576 959	2 088 77
Net unrealised exchange (gain)/ loss		(213 828)	1 646 22
Share-based payments expense		76 521	178 52
Profit on disposal of investment		-	(550 000
Expected credit losses		2 354	8 85
inance income		(37)	(88)
inance costs		382 469	153 53
Operating cash flow before working capital changes		9 022 652	8 253 74
ncrease in inventories		(1 577 167)	(2 195 245
ncrease in trade and other receivables		(6 444 550)	(5 319 548
ncrease /(Decrease) in trade and other payables		1 362 641	(784 118
let cash flows from operations		2 363 576	(45 169
Returns on investments and servicing of finance			
nterest received		37	8
nterest paid		(331 743)	(134 345
Faxation paid		-	(168 486
Net cash flows on investments and servicing of finance		(331 706)	(302 743
let cash flows from operating activities		2 031 870	(347 912
Cash flows from investing activities			
Purchase of property, plant and equipment			
Purchase of property, plant and equipment		(4 711 316)	(1 597 763
Purchase of investment		-	(250 000
Proceeds from disposal of investment		-	800 00
Net cash flows from investing activities		(4 711 316)	(1 047 763
Net cash flows before financing activities		(2 679 446)	(1 395 675
Cash flows from financing activities			
ssue of shares		14 841	3 49
nterest bearing loans repaid	14	(1 091 725)	(2 562 491
nterest bearing borrowings received	14	1 500 000	4 512 48
Principal paid on lease liability	14	(9 615)	(848)
let cash flows from financing activities		413 501	1 952 64
Decrease)/increase in cash and cash equivalents		(2 265 945)	556 96
let foreign exchange differences on cash and cash equivalents		(133 707)	(117 121
Cash and cash equivalents at the beginning of the period		1 937 098	562 14
ash and cash equivalents at the end of the period		(462 554)	1 001 99
ash and cash equivalents represented by:			
Bank and cash balances		1 000 945	1 001 99
Bank overdraft		(1 463 499)	(4
		(462 554)	1 001 99

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 SEPTEMBER 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 Trojan Nickel Mine, Trojan Mine Road, P.O. Box 35, Bindura, Zimbabwe.

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

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.

2.1 Statement of compliance

These interim financial statements were approved by the Board of Directors on 25 November 2021.

2.2 Basis of preparation

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and the Zimbabwe Stock Exchange listing rules. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2021 annual report.

2.3 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2021, except for the adoption of new standards effective as of 1 April 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effectiv



INTERIM CONDENSED FINANCIAL RESULTS

For The Half Year Ended 30 Sepetmber 2021

NOTES TO THE FINANCIAL STATEMENTS

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group

SIGNIFICANT ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2021 annual financial statements.

Use of estimates and judgements

The judgments, estimates and assumptions applied in the interim condensed consolidated financial statements, including the key sources of estimation thereof, were the same as those applied in the Group's annual financial statements for the year ended 31

SIGNIFICANT EVENTS AND TRANSACTIONS

Impact of COVID-19

The World Health Organisation declared coronavirus and COVID-19 a global health emergency on 30 January 2020. Since then, the Group has experienced significant disruption to its operations in the following respects:

- Disruptions in the supply of inputs from major suppliers; Disruptions in the delivery of the Company's product to customers;
- Significant uncertainty concerning how soon government restrictive measures will be lifted; and
- Uncertainty with regards to the long-term effect of the pandemic on the demand for the Company's products.

Fortunately, the intensity of the pandemic has reduced in the second quarter of the calendar year. Most countries are opening their

Responses to COVID-19

The Group has responded to the risks posed by the COVID-19 as follows:

- Put in place measures to ensure compliance with health and safety guidelines introduced by the government and the World Health Organisation to protect employees and business partners;
- Employed cost containment measures to control costs; and
- Managed the Group's liquidity to make sure that there are funds available to sustain operations.

Going concern

The directors believe that the uncertainties related to the COVID-19 do not result in a material uncertainty related to such events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

REVENUE

	30/09/2021 tonnage	30/09/2020 tonnage	30/09/2021 US\$	30/09/2020 US\$
Nickel in concentrates	2 549	2 566	33 339 557	22 920 548
Revenue from contract with customers	-	-	33 339 557	22 920 548
Provisional pricing adjustment				
Fair Value adjustment on Trade Receivables	_		1 921 408	2 115 806
Fair value gains	-	-	2 215 396	2 846 128
Fair value losses	-	-	(293 988)	(730 322)
Total	-	-	35 260 965	25 036 354
PROFIT FROM OPERATING ACTIVITIES			30/09/2021 US\$	30/09/2020 US\$
Profit from operating activities is arrived at after taking into a	ccount the follow	wing:		
Depreciation of property, plant and equipment			2 576 959	2 088 771
Exchange gain			(3 268 101)	(13 037 701)
Exchange losses			3 335 568	14 549 030
Staff costs			8 245 531	7 250 343
Profit on disposal of treasury bills			-	550 000
INCOME TAX				
Current income tax			672 569	1 960 047
Deferred tax			(321 329)	(660 040)

Contingencies

Prior year tax dispute

The Group has a pending court case involving ZIMRA, which relates to differences emanating from a 2018 tax assessment reporting, the Company could not reasonably estimate the likely timing of resolution of the matter.

PROPERTY, PLANT AND EQUIPMENT

During the half-year, US\$4.7 million (2020: US\$1.6 million) was spent on mining asset additions of which US\$1.2 was spent on a new exploration drill rig, a Load, Haul and Dump (LHD) machine and on major rebuilds of existing LHDs and rigs. A total of US\$1.1 million was spent on Haulage and Ramp developments to provide operational access to deeper resources. The sub-vertical Rock winder was upgraded at a cost of US\$448,000 while US\$402,000 was spent on the refurbishment of the concentrator.

TRADE AND OTHER RECEIVABLES

	30/09/2021 US\$	31/03/2021 US\$
Trade receivables (not subject to provisional pricing) Trade receivables (subject to provisional pricing) Expected credit losses	1 293 527 4 105 082 (6 582)	465 700 668 618 (4 228)
Trade receivables net Prepayments Prepayments- insurance Prepayments- taxes Prepayments- goods and services Other receivables Value Added Tax Sundry receivables	5 392 027 4 533 470 87 627 1 980 685 2 465 158 4 423 329 4 194 254 229 087	1 130 090 4 500 580 22 411 2 393 496 2 084 674 2 340 676 2 238 753 101 923
Related party receivables Total trade and other receivables	61 716 14 410 542	4 477 7 975 823
. TRADE AND OTHER PAYABLES	30 921 30/09/2021 US\$	30 921 31/03/2021 US\$
Balance at beginning of period Payments Income tax expense Balance at end of period	1 174 927 - (672 569) 502 358	(168 486) 2 359 390 (1 015 977) 1 174 927

Reclassification of income tax prepayment

During the half-year, income tax prepayment of US\$502 358(31/03/2021: US\$1 174 927) was disaggregated from trade and other receivables to be presented separately on the statement of financial position. This was done to show the income tax prepayment separately since it is material. This change in presentation had no impact on profit or loss and total current assets, and only affected the presentation of items in trade and other receivables and income tax prepayment

11. SHARE CAPITAL

			30/09/2020 US\$	31/03/2021 US\$
11.1 Authorised: 3 000 000 000 ordinary shares at US\$0.000 010 307			30 921	30 921
11.2 Issued and fully paid:				
	30/09/2021 Shares	31/03/20201 Shares	30/09/2021 US\$	31/03/2021 US\$
At Beginning Ordinary shares issued	1 272 732 638 6 766 812	1 251 130 797 21 601 841	13 119 70223	12 896
At End	1 279 500 450	1 272 732 638	13 189	13 119

During the year, employees exercised their rights to purchase shares as part of an employee share option scheme. A total of 6 766 812 shares were purchased at a nominal value of US\$0.000 010 307 at an average price of US\$0.002 per share.

12. TRADE AND OTHER PAYABLES

	30/09/2021 US\$	31/03/2021 US\$
Trade payables	9 703 427	9 954 519
Other payables	6 687 166	6 248 811
Employee payables	3 803 187	3 187 447
Marketing payables	176 246	65 016
Leave pay accrual	1 513 363	1 342 608
Retrenchment	811 974	811 974
Sundry payables	382 441	841 766
Related party payables	3 145 402	2 303 017
	19 536 040	18 506 347

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

CHANGE IN PRESENTATION OF STATEMENT OF CASH FLOWS

The presentation of the statement of cash flows was changed during the half-year. Under the subheading cash flows from operating activities, profit from operating activities of US\$4 881 635 was previously presented in the prior period. The profit before tax of US\$4 727 922, finance income of US\$88 and finance costs of US\$153 531 have been presented in the comparative statement of cash flows under the subheading cash flows from operating activities to replace profit from operating activities of US\$4 881 635 previously presented. This change in presentation had no impact on operating cash flows before working capital changes and net cash flows from operations.

14. CHANGES ARISING FROM FINANCING ACTIVITIES

30/09/2021

	1-Apr-21 US\$	Cash inflows US\$	Cash outflows US\$	Other US\$	30-Sep-21 US\$
Short term borrowings	-	1 500 000	(1 091 725)	-	408 275
Leases	12 700	-	(9 615)	75 755	78 840

30/09/2020						
	1-Apr-20 US\$	Cash inflows US\$	Cash outflows US\$	Foreign currency changes US\$	Other US\$	30-Sep-20 US\$
Short term borrowings	956 349	4 512 486	(2 562 491)	(1 716 296)	-	1 190 047
Lancas	41.672		(0.40)	(20.491)	507	11 950

Interest bearing borrowings exclude bank overdraft which are included in cash and cash equivalents for cash flow statement

RELATED PARTY TRANSACTIONS

			30/09/2021 US\$	30/09/2020 US\$
Transactions				
Freda Rebecca Gold Mine Private Limited			0.000	
-production consumables purchased			253 862	221 515
Gold Fields of Shamva Private Limited			F7 000	
-Sale of scrap material			57 239	
Key management personnel compensation				
Short term employee benefits			1 140 300	840 332
Share-based payment expense			42 677	56 890
Post-employment benefits			37 038	35 163
			1 220 015	932 385
Amounts owing from related parties				
Name of company	Relationship			
Jena Mines (Pvt) Ltd	Common control		4 477	4 477
Gold Fields of Shamva (Pvt) Ltd	Common control		57 239	-
			61 712	4 477
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		561 840	307 978
Kuvimba Mining House	Common control		125 000	1 074 000
Quorus Management services*	Significant influence	ı	963 412	1 374 890
			3 145 401	2 303 017

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

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.

17. COMMITMENTS AND CONTINGENCIES

	30/09/2021 US\$	31/03/2021 US\$
Capital commitments Contracted	5 390 961	5 932 626

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

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

Level 1: guoted (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

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

Recurring fair value measurements

30/09/2021	Level 1	Level 2	Level 3
Trade receivables subject to provisional pricing		1 921 408	
31/03/2021			
Trade receivables subject to provisional pricing		1 343 740	

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	30/09/2021	31/03/2021	Valuation technique	Significant inputs
Trade receivables (subject to provisional pricing)	1 921 408	1 343 740	DCF	Estimated future commodity prices. Quantities and final assays.

EVENTS AFTER THE REPORTING PERIOD 19.

Migration of Listing from the Zimbabwe Stock Exchange ("ZSE") to the Victoria Falls Stock Exchange ("VFEX")

On 15 October 2021, the Board considered and approved a proposal by Management for the Company to be delisted from the ZSE and to subsequently list on the VFEX. A circular with details of the proposal and the benefits thereof has been sent to Shareholders ahead of an Extra-Ordinary General Meeting scheduled for 13 December 2021.

19.2 Approval of interim financial statements

These Condensed Consolidated Interim Financial Statements were approved by the Board of Directors on 25 November 2021.



Ernst & Young Chartered Accountants (Zimbabwe) Registered Public Auditors Angwa City Cnr Julius Nyerere Way / Kwame Nkrumah Avenue P O Box 62 or 702 Harare Zimbabwe

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To The Members Of Bindura Nickel Corporation Limited

Report on the Review of the interim condensed consolidated financial statements

Introductions

We have reviewed the accompanying interim condensed consolidated financial Statements of Bindura Nickel Corporation Limited ("the Group"), as set out on pages 9 to 62, which comprise the interim condensed consolidated statement of financial position as at 30 September 2021 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes.

Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the International Financial Reporting Standards. Our responsibility is to express a review conclusion on this interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified review conclusion

Non-compliance with International Financial Reporting Standards (IFRS): International Accounting Standard (IAS) 21- The Effects of Changes in Foreign Exchange Rates in prior period and inappropriate application of IAS 8- Accounting Policies, Changes in Accounting Estimates and **Errors**

As explained in note 2 to the interim condensed consolidated financial statements, the parent company's functional and presentation currency is the United States Dollar (US\$).

The parent 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 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 therefore impacting comparability of the current year financial statements.

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Independent Auditor's Review Conclusion - Continued

Bindura Nickel Corporation Limited

As the matters are from prior year and as no IAS 8 restatements have been made to the prior year group financial statements some corresponding numbers remain misstated on the interim condensed consolidated financial statements. Our review conclusion on the current year's interim condensed consolidated financial statements is therefore also modified because of the possible effects of the above matter on the comparability of the current year's figures and the corresponding figures

Consequently, the following amounts in the Interim Condensed Consolidated Financial Statements contains misstatements as they contain material amounts from opening balances:

Interim Condensed Consolidated Statement of Financial Position:

- Inventories stated at US \$ 11 130 874 (31 March 2021: US \$ 9 553 707)
- Retained Earnings stated at US \$ 20 335 053 (31 March 2021: US \$ 14 488 079)
- Deferred taxation stated at US \$ 19 949 606 (31 March 2021: US \$20 270 935)

Interim Condensed Consolidated Statement of Comprehensive Income:

- Cost of Sales stated at US \$ 24 316 345 (30 September 2020: US \$ 16 934 025)
- Income tax expense stated at US \$ 351 240 (30 September 2020: \$USD 1300 007)

Consequently as opening balances enter the determination of cash flows, working capital movements in the interim condensed consolidated statement of cashflows are therefore materially misstated as a result of incorrect inventory opening balance. The effects of the above departures from IFRS are material but not pervasive to the interim condensed consolidated financial information. Our current half year review conclusion is therefore modified in respect of the above matters.

Qualified review conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the financial position of Bindura Nickel Corporation Limited as at 30 September 2021, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.

The engagement partner on the review engagement resulting in this review conclusion report on the interim condensed consolidated financial information is Walter Mupanguri (PAAB Practicing Certificate Number 367).

ERNST & YOUNG

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CHARTERED ACCOUNTANTS (ZIMBABWE)

REGISTERED PUBLIC AUDITORS

1 December 2021