2022 ANNUAL REPORT

Creating Value in a Sustainable Manner

Bindura Nickel Corporation

A Member of Kuvimba Mining House

Graduate Learner - SHE Department

WELCOME TO OUR 2022 ANNUAL REPORT

The BNC 2022 Annual Report is available on the following websites:

- www.vfex.exchange
- www.binduranickel.co.zw

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

ABOUT
THIS REPORT

Bindura Nickel Corporation Limited, a company listed on the Victoria Falls Stock Exchange (VFEX) since 2021 and on the Zimbabwe Stock Exchange (ZSE) from 1971 to 2021, is pleased to present its annual report for the year ended 31 March 2022. This report integrates financial and corporate sustainability information, enabling our stakeholders to make an informed assessment of our performance and impacts.

REPORTING SCOPE

The report contains information about the operations and exploration projects for Bindura Nickel Corporation Limited ("the Company") and its subsidiaries, together "the Group" in Zimbabwe. Any references in this report to "our", "we", "us", "Company" or "BNC" refer 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];
- Draft Securities and Exchange (Victoria Falls Stock Exchange Listings Requirements) Rules, 2020;
- International Financial Reporting Standards (IFRS); and
- Global Reporting Initiative ("GRI") Standards.

SUSTAINABILITY DATA

The qualitative and quantitative data provided in this report was extracted from company records, policy documents and management personnel accountable for the key result areas in the business.

Estimations and assumptions that were made are consistent with business operations.

ASSURANCE

The financial statements were audited by Ernst and Young Chartered Accountants (Zimbabwe), in accordance with the International Standards of Auditing (ISAs). The independent auditor's report is contained on pages 101 to 105.

Sustainability information was reviewed by the Institute for Sustainability Africa (INSAF) as subject matter experts for compliance with GRI Standards but was not externally assured. A GRI Content Index is contained on pages 155 to 159.

REINSTATEMENTS

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

BOARD RESPONSIBILITY AND APPROVAL OF 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 and approved the report on 23 June 2022.

REPORT DECLARATION

The Board of Directors and Management confirm that this report has been prepared in accordance with GRI Standards - 'Core' option.

CURRENCY

All references to $ throughout this report refer to the United States Dollar (US$).

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 assessment 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 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 through trading and website updates.

FEEDBACK

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

CHAIRMAN
M A MASUNDA

MANAGING DIRECTOR
T LUSIYANO

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VISION, MISSION AND VALUES

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.

VISION, MISSION AND VALUES

CORE VALUES

- **Quality**
- **Integrity**
- **Transparency**
- **Employee Empowerment**
- **Good Corporate Citizenship**

OUR
JOURNEY

The history of Bindura Nickel Corporation Limited began with the discovery of Nickel in Zimbabwe. Today, we are one of the leaders in Nickel extraction and production in Zimbabwe. Our operations are based on the first Nickel deposit that was discovered in Bindura at Trojan Nickel Mine in 1956 and the first Nickel concentrate was produced in 1964. BNC was then established by the Anglo-American Corporation Group in 1966 and mining at Madziwa Mine commenced during the same year.

7 Adit Entrance at Trojan Nickel Mine.

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 are commissioned in Bindura.

1969
Epoch Mine is established in Filabusi.

Shangani Mine is discovered.

1971
Bindura Nickel Corporation Limited is listed on the Zimbabwe Stock Exchange.

2003
Anglo American Corporation sells its stake (52.9%) in BNC to Mwana Africa Plc.

Shaft Re-deepening Project commences.

2004
BNC restructures and the Smelter and Refinery assets are transferred to Trojan Nickel Mine Limited (TNML), as a division. BSR Limited is made dormant.

OUR **JOURNEY**

2008

Shangani Mine, Trojan Nickel Mine and the BSR (formerly Bindura Smelter and Refinery) complex are placed on care and maintenance due to depressed Nickel prices.

2012

$23 million is raised through renounceable rights offer to facilitate the reopening of Trojan Nickel 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 $20 million through a Bond issue for the Smelter Restart.
- A Chinese mining and exploration group, Asa Resource Group Plc (Asa) acquires control of BNC by taking over Mwana Africa Plc's 74.73%.

2019

Asa disposes of its stake in BNC. Sotic International Limited (Sotic) acquires the controlling shareholding of Asa Resource Group Plc, making Sotic 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.

2021

BNC delists from the ZSE and lists on the VFEX.

Mine Rescue Team.

Female employees in the underground engineering workshop.

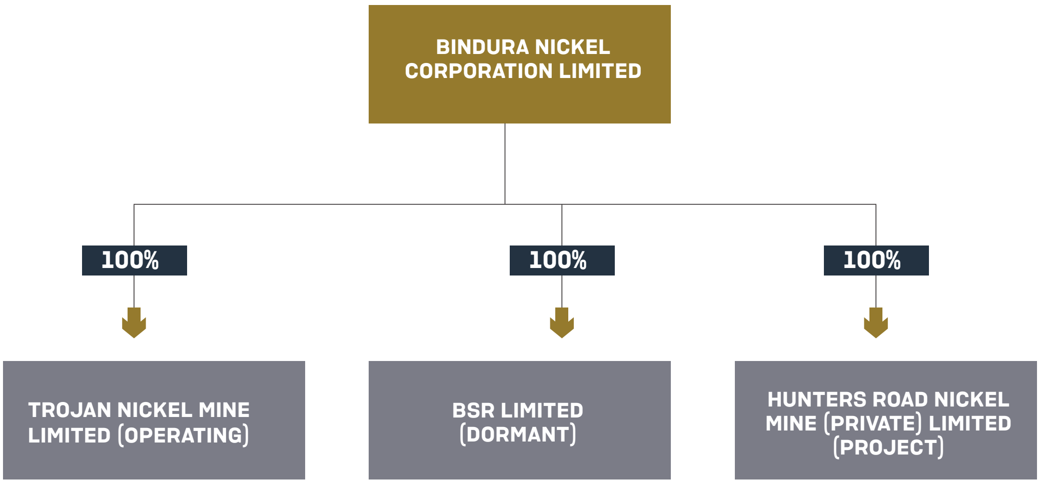
OUR **BUSINESS AT A GLANCE**

Bindura Nickel Corporation Limited, a fully integrated Nickel producer - operating a mine and a smelter complex in Bindura, Zimbabwe. The Company is engaged in the mining and extraction of Nickel and the 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 cathode. 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.

OUR **BUSINESS AT A GLANCE**

CORPORATE STRUCTURE

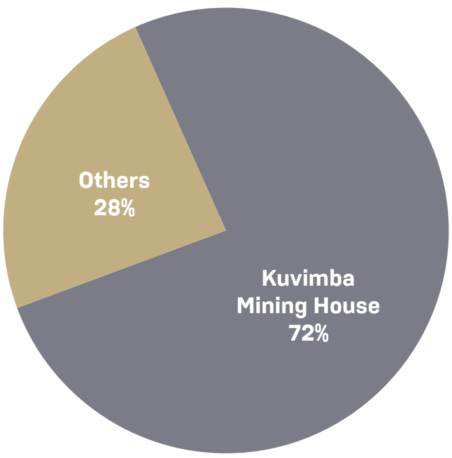
BNC has three subsidiaries, namely BSR Limited (formerly Bindura Smelter and Refinery Limited), Hunters Road Nickel Mine (Private) Limited (Hunters Road) and Trojan Nickel Mine Limited (TNML). However, TNML is the only operating entity, with BSR having been dormant since 2004 and Hunters Road still at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



BENEFICIAL OWNERSHIP

Bindura Nickel Corporation Limited is a publicly-traded company listed on the Victoria Falls Stock Exchange. The Company is owned 71.87% by Kuvimba Mining House (Private) Limited and 28.13% collectively owned by other public and private institutions as well as individuals

BNC Major Shareholders



CORPORATE MEMBERSHIPS

- Chamber of Mines of Zimbabwe

CERTIFICATIONS

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

OUR **MINING** **VALUE CHAIN**

Mining
Extraction of
Valuable material.

Prospecting & Exploration → Mining → Concentration

Prospecting & Exploration
Searching for valuable
mineral (NICKEL)
special position.

ORE PROCESSING
Comminution and milling.

BNC's core operations cover prospecting, exploration, mining, processing, smelting, refining, sales and despatching of Nickel. Our business is, however, 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.

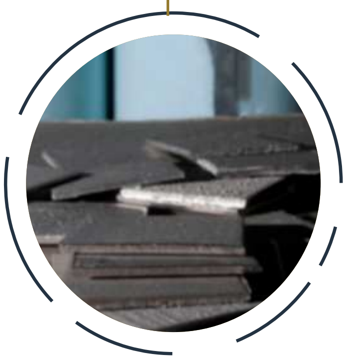
OUR **MINING VALUE CHAIN**

REFINING*
The process of
purifying the metal.

Smelting | Refining | Sales and Distribution

SMELTING*
The metallurgy process
of producing metal from ore in a furnace.

SALES & DISTRIBUTION
Order processing, warehousing, shipping
and all customer services.



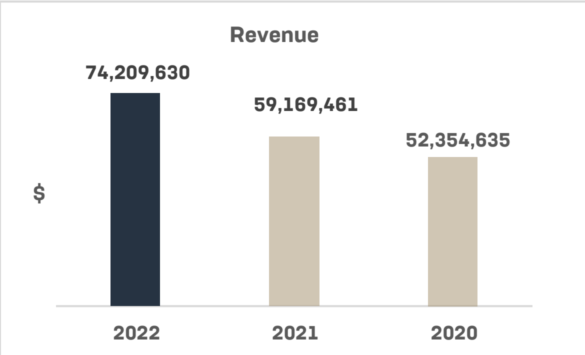
*The smelting and refining processes are currently inactive as the plants are under care and maintenance.

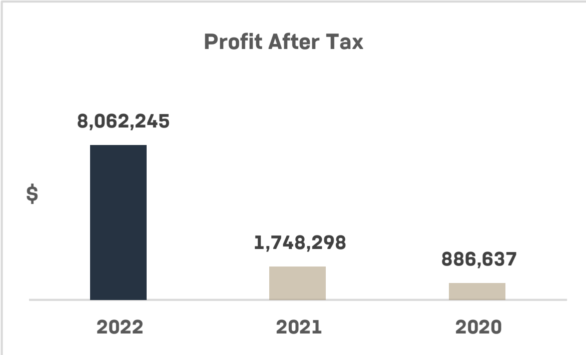
OUR MARKETS

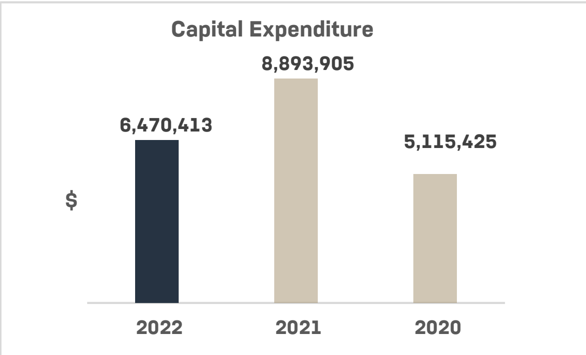
BNC sells all its Nickel concentrates through a third party, ZOPCO SA which is registered and based in Geneva, Switzerland. ZOPCO SA is a private independent trading house focused on supplying non-ferrous metals and concentrates to global markets

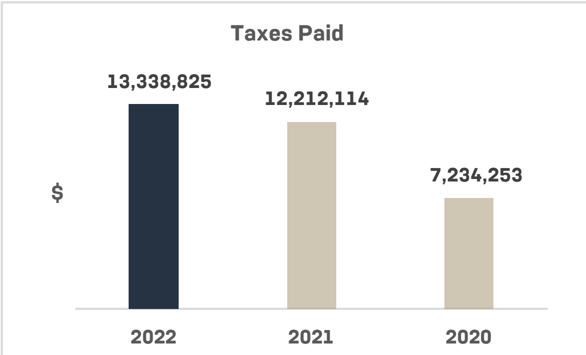
PERFORMANCE
HIGHLIGHTS

FINANCIAL





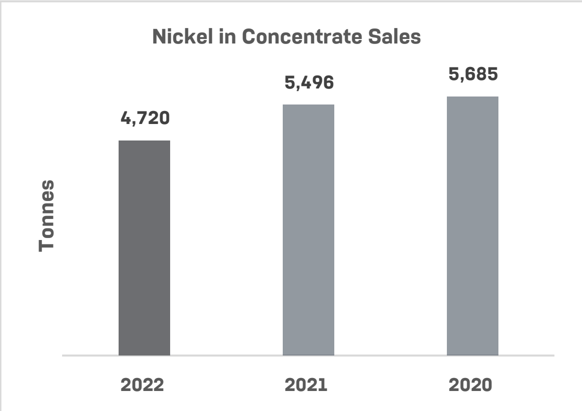


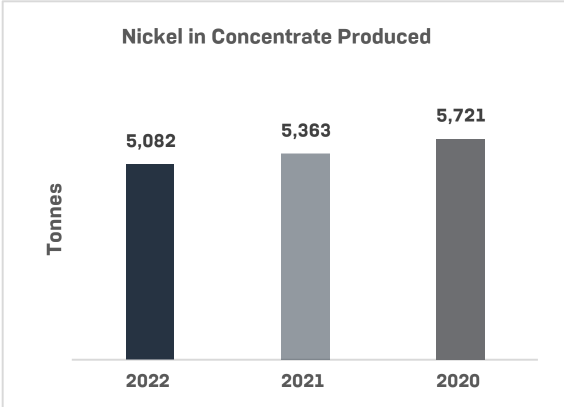


	2022 $	2021 $	2020 $
Revenue	74,209,630	59,169,461	52,354,635
Profit After Tax	8,062,245	1,748,298	886,637
Capital Expenditure	6,470,413	8,893,905	5,115,425
Taxes Paid	13,338,825	12,212,114	7,234,253

PERFORMANCE **HIGHLIGHTS**

OPERATIONAL



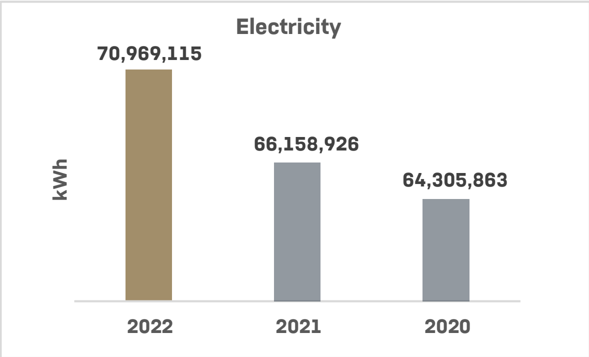


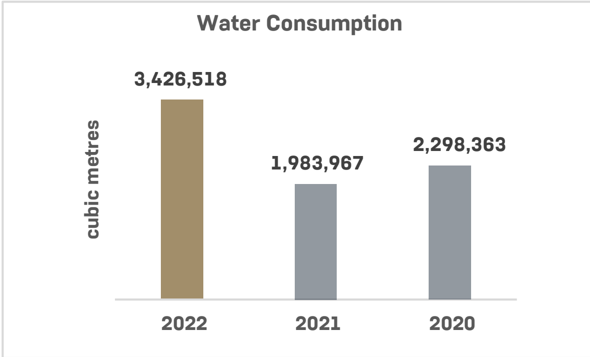
	2022	2021	2020
Nickel in Concentrate Sales (tonnes)	4,720	5,496	5,685
Nickel in Concentrate Produced (tonnes)	5,082	5,363	5,721
Proved and Probable Resources (tonnes '000') (Trojan Nickel Mine)	2,640	2,760	2,730

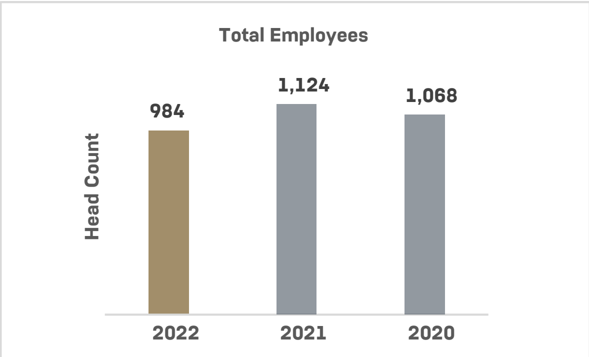
Sampling and weighing of concentrates in the bagging section.

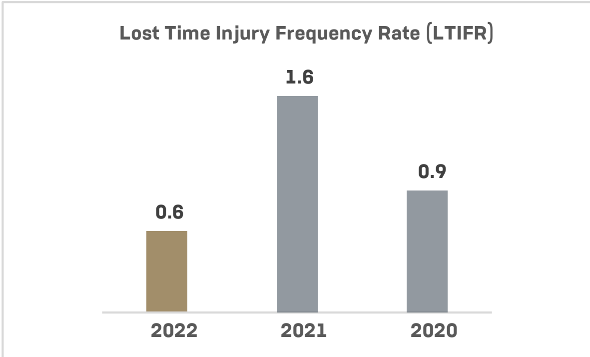
PERFORMANCE
HIGHLIGHTS

SUSTAINABILITY





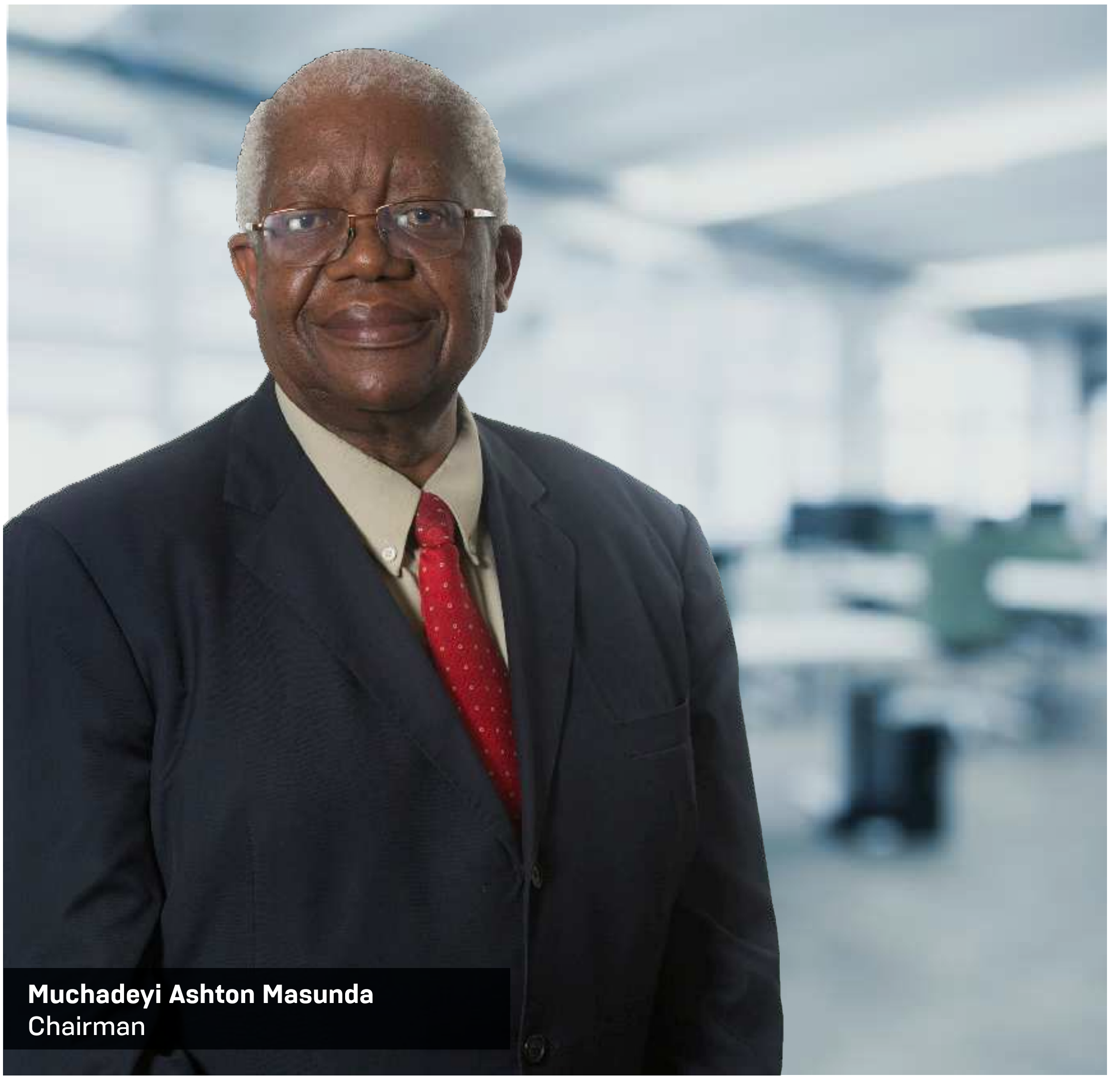




	2022	2021	2020
LTIFR	0.6	1.60	0.90
Electricity (kWh)	70,969,115	66,158,926	64,305,863
Nitrous Oxide (NOx) Emissions (kg)	182	354	352
Water Consumption (m3)	3,426,518	1,983,967	2,298,363
Total Employees (count)	984	1,124	1,068


Aerial view of the slimes dam.

CHAIRMAN'S
STATEMENT



"Profit after tax for the year amounted to $8.1 million, 361% higher than the $1.7 million recorded in the previous year, reflecting the increase in revenue."

CHAIRMAN'S STATEMENT CONT'D

DEAR STAKEHOLDERS

I am pleased to report on a good year's performance, despite the challenges that your Company faced.

THE GLOBAL ENVIRONMENT (THE MARKET)

The Nickel price on the London Metal Exchange (LME) started the year at $16,001 per tonne and progressively increased during the year, supported by strong demand from the stainless steel and electric vehicle sectors. In addition, global Nickel inventories were progressively declining during the course of the year. Nickel prices traded between $16,000 and $20,000 in the first three quarters of the financial year before a pronounced uptrend starting in January 2022. High energy prices, macro environmental fears over simmering geopolitical tensions between Russia and Ukraine, industrial growth from government stimulus in Europe and China, and expectations of demand increase from energy storage systems and electric vehicles, all supported prices.

Prices reached decade highs in March 2022 with a peak of $42,995/t on 7 March 2022 after Russia's invasion of Ukraine heightened fears over supply disruptions when the West imposed sanctions on Russia, upending global commodity markets. On 8 March 2022, prices on the LME Nickel contract temporarily breached the $100,000 per tonne mark due to a short squeeze. The LME suspended trading on the Nickel contract and cancelled the day's trades. Trading resumed on 16 March 2022, after the LME had put in place measures to control daily price changes. Prices stabilised within a narrow range although trading volumes were low as participants felt the prices on the LME were not supported by market fundamentals.

Fundamentals for Nickel remain strong as global stocks remain at low levels. The downward trend in LME inventories continues unabated, with stocks dwindling to 72,570 tonnes by the end of March 2022, in comparison to 259,182 tonnes on 1 April 2021.

THE LOCAL OPERATING ENVIRONMENT

The Zimbabwean economy grew by an estimated 6% during the 2021 calendar year, buoyed by a good 2020/21 agricultural season and improved export earnings arising from high commodity prices. However, the economy continued to be hampered by high inflation and persistent foreign currency shortages, despite the good export performance. While the commodity price boom has continued into 2022, partly aided by the uncertainty arising from the Russia-Ukraine war, Zimbabwe's economic prospects for the calendar year 2022 are not as promising due to a poor 2021/22 agricultural season and the adverse impact of the twin evils of high inflation and persistent foreign currency shortages.

COVID-19

In consonance with the overall national COVID-19 situation, the threat posed by the pandemic has receded drastically, with the Company ending the year with the pandemic under control. All company employees were fully vaccinated during the year and no COVID-19 related deaths were recorded. The Company has however continued with preventative measures and control programmes to ensure the pandemic remains under control.

Employee receiving a COVID-19 dose.

CHAIRMAN'S STATEMENT CONT'D

SAFETY, HEALTH AND ENVIRONMENT

There was an improvement in the Company's safety performance during the year, with two Lost Time Injuries recorded compared to five for the previous year. The Company achieved a new record of 3.1 million fatality-free shifts by 31 March 2022, the last fatality having been recorded in June 2015.

Safety remains a priority for the Board and Management, given the inherently hazardous nature of mining operations. The Company has a zero-tolerance policy towards injuries in the workplace. Safety, Health and Environmental (SHE) systems are continually being upgraded and improved to enhance performance. The main area of focus continues to be on instituting and deepening the desired safety culture in order to prevent accidents, in line with the Company's Zero Harm policy.

The Company continues to comply with all applicable environmental legislation and remains ISO 14001:2015 and ISO 45001:2018 certified.

OPERATIONS

The year under review was a challenging one.

Commissioning of the Re-deepening and Tie-in project was delayed by nearly one month, due to unforeseen technical challenges, resulting in only 4 days of production in April 2021. The project was, however, successfully completed and resulted in the intended benefits of reduced ore tramming distances, elimination of double handling and provision of access to deeper-lying mineral resources, being achieved.

Diamond drilling machine at work as part of Trojan Nickel Mine's development thrust to enhance sustainable mining.

The aged and obsolete underground mining mobile equipment resulted in poor and inconsistent availabilities during the year under review and thus compromised production. In addition, significant challenges associated with changes in the massive orebody footprint were experienced in September and October 2021.

The changes in the massive resource footprint, coupled with the need to optimise the extraction of the entire mineral resource, necessitated the pre-planned transition from the low-volume, high-grade strategy to the new high-volume, low-grade strategy.

The combined effect of the above factors led to tonnes ore mined for the year totalling 463,338, which was 13% higher than the previous year's 412,605 tonnes.

Tonnes ore milled of 461,130 were 12% higher than last year's tonnage of 411,754, in tandem with the higher tonnage mined. In line with the new strategy, head grade declined to 1.30% from 1.52% for the prior year while recovery efficiency was 85.0% versus 85.9% for last year.

Consequently, Nickel in concentrate production declined by 5% to 5,082 tonnes from the previous year's 5,363 tonnes.

Unit cash cost of production (C1) increased by 43% to $10,749 per tonne while the all-in-sustaining cost of production increased by 45% from $8,552 per tonne in the prior year, to $12,396 per tonne. The increase in unit production cost was mainly due to the decrease in Nickel production and the high cost of maintaining the old and obsolete underground mining mobile equipment. The disparity between the official auction and parallel market rates continued to widen during the year. With local suppliers using the parallel market rates rather than the auction rates in their pricing models, the discrepancy in the two rates had an adverse impact on the Company's costs of local inputs.

CHAIRMAN'S STATEMENT CONT'D

Nickel sold for the year, amounted to 4,720 tonnes, 14% lower than prior year sales of 5,496 tonnes, reflecting not only the lower Nickel production but also the fact that there were 316 tonnes of Nickel in stock at year end. The Company's off-take contract lapsed in early March 2022, after requisite contracted Nickel concentrates had been delivered. Deliveries under the now expired contract were completed on 9 March 2022. Finalisation of a new two-year contract for the supply of 100,000 tonnes of Nickel concentrates took longer than planned. The contract was only signed and approved by the relevant regulatory authorities at the end of April 2022. Deliveries under the new contract commenced on 2 May 2022, at which time, there were 700 tonnes of Nickel in stock.

The average London Metal Exchange (LME) Nickel price achieved during the year was $20,600 per tonne, compared to $14,999 per tonne for the previous year. The 37% increase in the average Nickel price was driven by the global increase in the demand for the metal.

TAX DISPUTE BETWEEN TROJAN NICKEL MINE LIMITED (TNML) AND THE ZIMBABWE REVENUE AUTHORITY (ZIMRA)

We previously reported that the Company, through its operating subsidiary, TNML, was involved in a dispute with the tax authorities emanating from tax assessments which were issued in February 2018 in respect of the 2009 to 2017 tax years. The dispute mainly related to historical issues concerning how the Company was restructured in 2004, as well as issues arising from differences in the interpretation of standard commercial agreements in the mining industry.

The Company objected to the assessments but when the objection was dismissed by ZIMRA, it was obliged to pay the disputed tax liability of ZW$14,368,623 equivalent to $1,272,485 at the time of payment, while seeking legal redress. An appeal was then filed at the Special Court for Income Tax Appeals (SCITA) by TNML. The matter was heard on 12 November 2020. Unfortunately, TNML lost the case on a technicality as the respondent (ZIMRA) was incorrectly cited in the pleadings as The Commisioner-General, ZIMRA instead of the Zimbabwe Revenue Authority. The appeal filed by TNML was, therefore, held to be invalid as the improper citation meant that there was no proper appeal before the court. Since the case was dismissed on the basis of a technicality and not on its merits, TNML refiled the appeal. A date for the appeal hearing is yet to be set. Since then, however, the Supreme Court has handed down a judgment on a case that has some similarities to the TNML case.

In that case, the Court ruled that group consolidated accounts cannot be submitted in support of tax self-assessments filed by a company. TNML is the only operating subsidiary in BNC and therefore generates all group revenues. Group consolidated accounts were thus submitted and accepted by ZIMRA, in support of the Company's tax self-assessments for the years in question. In the light of the Supreme Court decision, it is the considered view of our legal counsel that the SCITA is likely to consider the tax self-assessments filed then as invalid and therefore dismiss our appeal, citing the Supreme Court precedent. On the recommendation of legal counsel, we have accordingly withdrawn the case in the SCITA before a set down date for the appeal is given.

Upon the withdrawal of the appeal, the disputed tax liability of ZW$14,368,623 or $1,272,485 that was previously disclosed as a contingent liability, has now been expensed through the Income Statement. As stated above, the amount had been paid soon after dismissal by ZIMRA of the Company's objection to the assessments. There will, therefore, be no cash flow impact, arising from the withdrawal of the case.

CHAIRMAN'S STATEMENT CONT'D

INDUSTRIAL RELATIONS

Despite the challenging economic conditions prevailing in the country, the industrial relations atmosphere remained calm throughout the year. Management continued to proactively and constructively engage employees on all pertinent issues.

Graduate learners from various disciplines at Trojan Nickel Mine.

FINANCIAL RESULTS

Income Statement

Despite the decline in the volume of Nickel sold, revenue for the year ended 31 March 2022 increased by 25% to $74.2 million, from the prior year's $59.4 million. The increase in Nickel price more than compensated for the lower sales volume.

Cost of sales increased by 15% to $51.4 million, compared to $44.9 million in the prior year. The increase was a result of the high cost of maintaining the old and obsolete underground mining mobile equipment, higher labour costs arising from reviews of wages during the year to align with the industry, as well as inflationary pressure on local input costs.

A combination of the discrepancy between the auction foreign exchange rates and the rates prevailing on the alternative markets, coupled with the regulated surrender of 40% of the Company's export revenue in exchange for Zimbabwe Dollars at the auction rates, resulted in loss of value amounting to $2.5 million for the year under review. The Reserve Bank of Zimbabwe introduced an export incentive scheme in June 2021, applicable on incremental export revenues. In terms of the scheme, an 80% export retention applies on incremental revenues instead of the standard mining retention of 60%, while companies listed on the VFEX and those operating in Special Economic Zones, are permitted to retain 100% of the incremental revenues.

The export incentive scheme, inclusive of the enhanced regime applicable to VFEX listed entities, resulted in the Company achieving an overall export retention marginally above the mandatory 60%.

Gross profit for the year amounted to $22.8 million, which was 59% higher than the prior year's $14.3 million, mainly due to the increase in revenue.

An operating profit of $11.9 million was achieved, 263% higher than the $3.3 million for the prior year, also due to the increase in revenue. Net interest expense amounted to $940,757, up from $235,648 due to new loans accessed during the year. Profit before tax for the year was $11.0 million, 260% above last year's $3.1 million.Income tax charge for the year amounted to $2.9 million, giving an effective tax rate of 27% compared to the corporate tax rate of 24.75%. This was due to prepaid income tax of $1.2 million on a tax dispute with ZIMRA, which was previously reported as a contingent liability but was recognized as an income tax expense in the current year, upon withdrawal of an appeal that had been lodged with the Special Court of Income Tax Appeals. Thus, profit after tax for the year amounted to $8.1 million, 361% higher than the $1.7 million recorded in the previous year, also reflecting the increase in revenue.

CHAIRMAN'S STATEMENT CONT'D

Balance Sheet

Total equity of $60.1 million increased by 16% as a result of the profit achieved for the year. During the year under review, a total of 16,495,755 ordinary shares were issued to employees that 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 1,272,732,638 to 1,289,228,393 ordinary shares, as at 31 March 2022.

Current liabilities increased by 39% to $25.7 million due to an increase in trade and other payables as well as working capital facilities in the form of bank overdrafts and short-term loans which, at 31 March 2022, amounted to $3.1 million. Subsequent to the year end, an additional $4 million loan facility was secured as part funding of the programme to replace the old and obsolete underground mining mobile equipment.

Property, plant and equipment grew by 7% reflecting the capital expenditure incurred during the year, which included the acquisition of new exploration, face and support rigs which are part of the retooling exercise currently underway.

Current assets increased by 65% to $34.1 million due to an increase in trade debtors, outstanding VAT Refunds and unsold Nickel stocks. The VAT Refunds balance as at 31 March 2022 amounted to $5.2 million (FY2021: $2.2 million). ZIMRA are taking much longer to process VAT Refunds, resulting in the average age of the refunds increasing to 467 days (FY2021: 242 days).

In spite of the above-mentioned issues, the group balance sheet remains strong, with a sustainable level of borrowings.

Cash Flows

Cash generated from operations amounted to $1.3 million, down from $10.4 million due to the increase in debtors and inventories referred to above. Capital expenditure for the year amounted to $6.5 million. Net loans raised amounted to $2.6 million while net interest paid was $940,757. Consequently, at the close of the year under review, there was a negative cash balance of $1.3 million, compared to a positive cash balance of $1.9 million at the end of the previous year.

CAPITAL EXPENDITURE

Total capital expenditure for the year amounted to $6.5 million (FY2021: $8.9 million). The programme to replace the old and unreliable underground mining mobile equipment commenced in the year under review and is expected, subject to funding being available, to take at least two years to complete. The programme will be funded from a mixture of internal cash flows and external loans.

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

The Company's shares were delisted from the ZSE on 15 December 2021 and BNC became the fourth company to be listed on the VFEX on the 17th of the same month. While trading volumes on the ZSE have generally been low, BNC had, as at 31 March 2022, contributed 97% of the total 96 million shares traded since the Company made its debut.
Since migration to the VFEX, the Company has been realising improved export retentions from the enhanced export retention scheme applicable to companies listed on that bourse.

OUTLOOK FOR FY2023

The LME Cash settlement price of Nickel averaged $33,298 per tonne in the month of April 2022. Although the recent 'short squeeze' became topical globally, the LME Nickel price had already been on a steady upward trend due to healthy fundamentals but, after trading in a narrow range for the whole of April 2022, prices fell to around $28,400 per tonne in early May 2022. This was due to the increased dominance of negative macro-environmental factors, including a firm dollar, tighter liquidity conditions and concerns over the slowdown in the Chinese economy due to COVID-19 induced lockdowns and trade disruptions, as well as tight liquidity, which are expected to adversely affect global manufacturing and metal demand.

Analysts forecast that Nickel prices will drift lower in the near term. Prices are, however, expected to recover from the third quarter with the price rebound from current low levels likely to be aided by Nickel's tight fundamentals and supply disruption threats. Although a number of projects are expected to come online during the year to increase Nickel supply, there is still uncertainty on the timing of the availability of the new supplies to the market.

CHAIRMAN'S STATEMENT CONT'D

The global electrification agenda and the shift to greener forms of energy are likely to support Nickel prices in the medium to long term. Prices will be supported by global infrastructural spending if previously set targets are met. It is envisaged that a resolution of the conflict in Ukraine will likely be bullish for Nickel as more infrastructural spending will be needed to rebuild the country after the scourge of war. While there will always be some volatility in the Nickel market, the underlying forces that drive it are positive for the long term.

DIVIDEND

The Board has not declared a dividend for the period under review. The Company's current priority is to replace underground mining mobile equipment which is critical for the future and for consistent levels of production, particularly so in the light of the on-going transition from the high-grade, low-volume strategy to the low-grade, high-volume strategy envisaged from FY2023 onwards.

BOARD CHANGES

The following changes to the Board of Directors of the Company which took place during the financial year, have been previously reported on:

Resignation

Mr. Jozef Clifford Behr resigned as Non-Executive Director with effect from 30 September 2021. I thank Mr. Behr for his contributions during his tenure on the Board.

Appointments

- Mr. Patrick Maseva-Shayawabaya joined the Company in the executive position of Finance Director, with effect from 1 April 2021.
- Mr. Michiel Jakobus Bronn joined the Board as Non-Executive Director on 1 October 2021.
- Messrs. Simbarashe Chinyemba and Innocent Rukweza were appointed as Non-Executive Directors with effect from 21 March 2022.

I welcome the appointees to the Board and look forward to their respective contributions in the Company's deliberations.

The late Mr. David Hugh Brown

It was with a deep sense of shock and sorrow that we received the news of the passing on of Mr. David Hugh Brown, in South Africa, on Sunday, 19 June 2022. He would have turned 60 years of age on 7 August 2022.

David joined the Board of BNC on 1 April 2020, upon his appointment as Chief Executive Officer of Kuvimba Mining House (Private) Limited and became a member of the Audit and Risk Committee soon thereafter.

David contributed immensely to deliberations at the BNC Board and Committee meetings and will be sorely missed.

May his soul rest in eternal peace.

APPRECIATION

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

On Behalf of the Board
Bindura Nickel Corporation Limited

M A MASUNDA
CHAIRMAN
23 June 2022

Employees carrying out on-the-job risk assessment.

MANAGING DIRECTOR'S
OPERATIONAL REVIEW
FOR THE YEAR ENDED 31 MARCH 2022

Thomas Lusiyano
Managing Director

"To alleviate the low equipment availabilities, the Company has begun the process of acquiring new underground mobile mining equipment."

MANAGING DIRECTOR'S **OPERATIONAL REVIEW** CONT'D

FOR THE YEAR ENDED 31 MARCH 2022

DEAR STAKEHOLDERS

I am pleased to report on the operational performance of Bindura Nickel Corporation Limited for the year ended 31 March 2022.

COVID-19

The Company continued to adhere to COVID-19 prevention and control measures in line with the prescribed safety and health requirements of the Government of Zimbabwe and the World Health Organization (WHO) guidelines, to mitigate the effects of the COVID-19 pandemic. The number of PCR COVID-19 positive cases recorded increased to 210 from 121 recorded in the prior year, following a surge in infections experienced in December 2021.

During the year, the Company achieved 100% full vaccination for all its employees and a high vaccination level among the Trojan Nickel Mine community members, a process aided by the provision of vaccines by the Kuvimba Mining House Private Sector Initiative and the Ministry of Health and Child Care.

I am happy to report that the number of active cases among employees and the mine community has almost been eliminated. To enhance the measures already in place, the Company began administering COVID-19 booster vaccinations at the Trojan Mine Clinic in March 2022.

SAFETY, HEALTH AND ENVIRONMENT

Safety performance for the year was satisfactory, with Two Lost Time Injuries (LTIs) recorded compared to five (5) cases in the previous year. Non-Lost Time Injuries decreased to two (2) compared to three (3) cases recorded in the previous year.

As at 31 March 2022, the Company had attained 3.1 million fatality-free shifts, a major milestone considering that the last fatality was recorded in June 2015.

The Company continued to comply with applicable environmental legislation and retained both the ISO 14001:2015 and ISO 45001:2018 certifications. The Company also maintained its ISO 17025:2017 accreditation for the laboratory.

The newly acquired Sandvik DL321 production rig.

Independent transporter's vehicle being weighed at the Company's weigh bridge.

PRODUCTION

Key Operational Statistics for the Year Ended 31 March 2022

Production statistics for the year ended 31 March 2022, together with the quarterly results for the same period, are as indicated on table 1 below.

Table 1

	Unit of Measure	Year ended 31 March 2022	Quarter ended 31 March 2021	Quarter ended 31 Dec 2021	Quarter ended 30 Sept 2021	Quarter ended 30 June 2021	Year ended 31 March 2021
Nickel in concentrate produced	Tonnes	5,082	1,149	1,379	1,366	1,187	5,363
Head grade	%	1.30	1.14	1.58	1.13	1.45	1.52
Ore milled	Tonnes	461,130	121,587	98,218	145,806	95,518	411.754
Recovery	%	85.0	82.6	89.0	82.6	86.0	85.9
Ore mined	Tonnes	463,338	121,895	100,643	147,687	93,113	412,605
Development metres (Opex)	Metres	2,211	396	594	898	324	1,404
Nickel Sales	Tonnes	4,720	863	1,308	1,396	1,153	5,496
Average LME Nickel Price	$/tonne	20,600	26,122	19,812	19,122	17,343	14,999
Cash Cost C1	$/tonne	10,749	15,448	9,749	9,002	9,371	7,540
Production Cost C2	$/tonne	11,760	16,602	10,644	9,998	10,228	8,347
All In Sustaining Cost C3	$/tonne	12,410	18,277	10,933	10,460	10,525	8,552

MANAGING DIRECTOR'S **OPERATIONAL REVIEW** CONT'D

FOR THE YEAR ENDED 31 MARCH 2022

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. Rounding off of figures may cause computational discrepancies for totals.

Nickel in concentrate production decreased by 5% to 5,082 compared to the previous year. The decrease in production was attributed to the following:

i. the unplanned delay in the commissioning of the Re-deep and Tie-in Project in April 2021, which resulted in only 4 days of production in that month.
ii. old and obsolete underground mining mobile equipment which resulted in poor availabilities, leading to lower than budget human and machine productivity.

To alleviate the low equipment availabilities, the Company has begun the process of acquiring new underground mobile mining equipment. Delivery lead times for the equipment are, however, inordinately long due to the high world-wide demand for minerals as well as disruptions to supply chains caused by both COVID-19 and the Russia-Ukraine conflict. Therefore, the equipment ordered will only be delivered in the latter part of the year to March 2023. In order to fill the gap, the Company has, accordingly, taken the initiative to hire the required equipment, from local and external equipment providers, for use while awaiting delivery of the equipment ordered.

Cash and All-in Sustaining Costs increased from $7,540 per tonne and $8,552 per tonne achieved in the previous year to $10,749 per tonne and $12,410 per tonne respectively. The increase in unit costs was mainly due to the lower Nickel production and high cost of maintaining the aged underground mining mobile equipment. In addition, wages were significantly increased during the year to align Company wage levels with the rest of the mining industry.

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. Rounding off of figures may cause computational discrepancies for totals.

MANAGING DIRECTOR'S
OPERATIONAL REVIEW CONT'D
FOR THE YEAR ENDED 31 MARCH 2022

BNC Mineral Resources Statement as at 31 March 2022

Table 2

Operation	Resource Category	Tonnes (Mt)		Grade (%Ni)		Contained Nickel (Kt)	
		2022	**2021**	**2022**	**2021**	**2022**	**2021**
Trojan Mine	Measured	4.06	1.69	0.98	0.96	39.8	16.2
	Indicated	4.92	2.60	1.08	0.91	53.4	23.6
	Measured and Indicated	8.98	4.29	1.04	0.93	93.2	39.7
	Inferred	3.52	4.30	1.07	1.07	37.6	45.9
	Total	12.50	8.59	1.05	1.00	130.9	85.6
Hunters Road	Measured						
	Indicated	36.4	36.4	0.55	0.55	200	200
	Measured and Indicated	36.4	36.4	0.55	0.55	200	200
	Inferred						
	Total	36.4	36.4	0.55	0.55	200	200
Shangani Mine	Measured	1.84	1.84	0.58	0.58	11	11
	Indicated	0.48	0.48	0.59	0.59	3	3
	Measured and Indicated	2.32	2.32	0.59	0.59	14	14
	Inferred	9.71	9.71	0.56	0.56	54	54
	Total	12.03	12.03	0.56	0.56	68	68

Operation	Reserve Category	ROM Tonnes (Mt)		Grade (%Ni)		Contained Nickel (Kt)	
		2022	**2021**	**2022**	**2021**	**2022**	**2021**
Trojan Mine		Mt	Mt	(%Ni)	(%Ni)	Kt	Kt
	Proved	0.84	1.06	0.64	0.84	5.3	8.9
	Probable	0.70	1.70	0.73	0.87	5.2	14.7
	Total	1.54	2.76	0.68	0.86	10.5	23.6

Operation	Reserve Category	ROM Tonnes (Mt)		Grade (%Ni)		Contained Nickel (Kt)	
		2022	**2021**	**2022**	**2021**	**2022**	**2021**
Trojan Mine		Mt	Mt	(%Ni)	(%Ni)	Kt	Kt
	Proved	0.84	1.06	0.64	0.84	5.3	8.9
	Probable	0.70	1.70	0.73	0.87	5.2	14.7
	Total	1.54	2.76	0.68	0.86	10.5	23.6

Trojan Mine Mineral Resources and Ore Reserves Explanatory Notes:

i. Mineral Resources are reported inclusive of Ore Reserves.

ii. Mineral Resources are reported based on a 0.45% Ni cut-off grade.

MANAGING DIRECTOR'S OPERATIONAL REVIEW CONT'D

FOR THE YEAR ENDED 31 MARCH 2022

Trojan Mine Mineral Resources and Ore Reserves Explanatory Notes:

iii. Mineral Resource tonnages increased by 31% from 8.59 Mt in March 2021 to 12.5Mt in March 2022. The contained metal increased by 35% from 85.6Kt in March 2022 to 130.9Kt in March 2021. The average grade of the Mineral Resources increased by 4% from 1.00% Ni to 1.05% Ni in March 2022. 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 43/0L exploration drilling campaign.

iv. Massive ore Mineral Resource tonnage increased by 11% whilst contained nickel metal decreased by 12% because of a 35% decrease massives ore grade. The increase in the tonnage was attributed to the intersection of massives ore mineralisation to a depth of 59/0L (1710 mbs). The Hanging wall massive extends down to 59/0L (1 710 mbs), with the Footwall massives having terminated at 43/2 level. There has been significant reduction in the strike length of the orebody from an average of 30m at 41/0L to 12m below 45/2L.

v. The Ore Reserves for disseminated ore type have been reported down to 37/0L (1 035 mbs).

vi. The Ore Reserves for massive ore type have been reported down to 47/3L (1 281 mbsl).

vii. Ore Reserves tonnage decreased by 44% from 2.76Mt in March 2021 to 1.55Mt in March 2022. Reserve equivalent contained metal decreased by 55% from 23.7Kt (March 2021) to 10.5Kt (March 2022). This attributed to limited development because of low mining equipment availability.

viii. Potential geological risk is in the silicification of the Footwall and Hanging wall massive orebody and intrusions below 41/2L, which has resulted in significant reduction in the size and extent of massive orebody below 43/0L.

ix. The exploration drilling is continuing targeting areas below 45/0L.

Hunters Road

i The effective date for Hunters Road Mineral Resource estimate is May 2006.

ii. Mineral Resource estimates were based on 0.40%Ni cut-off grade.

iii. The 36.4Mt Resource includes 2.4Kt of resource which forms part of a 30m cap of oxide ore mineralisation.

iv. 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.

Shangani Mine

i. The Mine is on care and maintenance hence no Ore Reserves have been reported.

ii. Effective date for Shangani Mineral Resources is August 2008.

iii. The Mineral Resources estimates were reported based on a 0.35%Ni cut-off grade.

ENGINEERING

Underground Mining Mobile Equipment

(a) **LHDs and Dump Trucks**
The availability for Load, Haul and Dump ("LHD") units improved from 70% for FY2021 to 75% for FY2022. The availability for FY2022 was below budget mainly due to oil contamination issues that resulted in premature component failures, unfavourable mine conditions that caused engine failures and general increase in recovery times due to non-availability of spares. The non-availability of spares also resulted in mid-life interventions not being carried out.

For the Dump Trucks, the availabilities improved from 74% to 90% in FY2021 and FY2022 respectively, as a result of improvement in maintenance practices.

(b) **Rigs**
The availability of rigs (Production, Face and Support) improved from 63% to 71%. The availability was still below target.
The availability of the Long Hole Production Rigs in particular, declined from 58% to 54% due to recurring drifter and driveline failures as well as electrical issues caused by poor quality spares and non-availability of OEM spares. In addition, mid-life interventions were not carried out due to non-availability of spares.

Underground Fixed Plant
The Sub Vertical Rock (SVR) Winder operated well and at full speed, until power surges on 29 and 30 August 2021 damaged power electronic components (thyristors), after which it operated at about half of its rated speed. The thyristors were only replaced in October 2021 and since then the SVR Winder has operated satisfactorily, running at its full rated speed of 11 metres per second.

Concentrator

(a) **Concentrator Crushing Plant**
The crushing plant's availability improved marginally from 87% to 89%. The availability for FY2022 was however below budget mainly due to the Concentrator shutdown in Q1 FY2022, failures on Tertiary Crusher No. 1 and the Eliptex Vibratory Feeder.

(b) **Milling Plant**
The milling section's availability was satisfactory and improved from 88% in the FY2021 year to 91% in FY2022.

MANAGING DIRECTOR'S **OPERATIONAL REVIEW** CONT'D

FOR THE YEAR ENDED 31 MARCH 2022

Electrical Power Supply Availability

A total of 22 hours were lost due to ZESA power outages during the year. Disturbances were experienced on the National Grid due to loss of electricity supply from the ZESA generating stations and power import interconnectors in June 2021, August 2021, November 2021, February 2022 and March 2022. A total of nine hours were lost due to these disturbances. The grid disturbances are a cause for concern as those experienced at the end of August 2021 damaged one of the thyristor stacks for the SVR. Thirteen of the 22 hours were lost due to the maintenance at the Bindura Smelter and Refinery (BSR) Consumer Substation by Zimbabwe Electricity Supply Authority ("ZESA") in October 2021.

Water Supply

Water is a significant resource for our operations whose adequacy and quality are essential. We draw water from sources shared with nearby communities. BNC draws all its water from the Mazowe River. In the past few years, the increased production and possible pipe leaks resulted in increased consumption of water from a target of 2,160,000 mega litres annually to a total of 2,582,519 mega litres.

In the past few years, the mine has been expanding in both its operations and population which has resulted in increased water consumption. Portable or domestic water consumption increased by 15% or 144,358 cubic metres in FY2022 compared to FY2021, thus contributing about 7% to the total water abstraction increase of 30%. This was in line with Management's commitment to avail adequate water for domestic use within the mining community. The remaining 23% increase is attributed to mine expansion activities such as the re-deepening of the mine and the increase of milled tonnage, plus possible system leakages.

Water quality control discussion.

MANAGING DIRECTOR'S
OPERATIONAL REVIEW CONT'D

FOR THE YEAR ENDED 31 MARCH 2022

Inaugural meeting of the BNC Female Employees Forum.

HUMAN RESOURCES

Head Count

The Company had a total employee head count of 984, compared to the previous year's 1,140 of which 715 were permanent employees (FY2021: 741). The reduction in head count was a result of rationalisation of labour requirements.

Industrial Relations

The industrial relations climate was calm and stable during the year. Works Council meetings for both the NEC Workers' and Managerial Workers' Committees were held as per schedule, thus fostering good industrial relations. Management continues to maintain an open communication system to allow for quick resolution of issues arising from the Works Council Meetings.

MANAGING DIRECTOR'S **OPERATIONAL REVIEW** CONT'D

FOR THE YEAR ENDED 31 MARCH 2022

MARKETING

The Company sold 4,720 tonnes of Nickel in concentrate, compared to 5,496 tonnes in the previous year. The reduction was in line with the reduced Nickel production for the reasons mentioned in the Chairman's Statement. In addition, the delay in the finalisation of a new off-take contract resulted in 316 tonnes of Nickel in concentrate remaining in inventory at year end. The average London Metal Exchange ("LME") Nickel price realised increased from $14,999 per tonne in the previous year to $20,600, reflecting the high demand for Nickel, which also resulted in low Nickel stock holdings globally.

FINANCIAL PERFORMANCE

In spite of the decrease in Nickel sales volume to 4,720 tonnes, relative to the prior year's 5 696, revenue increased by 25% to $74.2 million from $59.2 million recorded in FY2021. The increase was attributed to the increase in Nickel price.

Gross profit for the year, at $22.8 million, was 59% higher than the $14.3 million recorded in the prior year. An operating profit of $11.9million was recorded, up 263% from the previous year's $3.3 million. Profit before and after taxation amounted to $11.0 million and $8.1 million respectively, both increases being attributed to the increase in revenue arising from the high Nickel price.

As at 31 March 2022, the Company had secured $3 million as part funding for the equipment replacement programme, focusing on underground mining mobile equipment. Since the year end, a further $4 million was also secured, drawn and used mainly to pay deposits on the underground mining mobile equipment that has been ordered.

BUSINESS DEVELOPMENT

In order to ensure that the business continues on a sustainable growth trajectory, BNC is at various stages towards establishing the feasibility of expanding its future capacity and Life of Mine. In brief, these are:

Trojan Nickel Mine Down Dip Exploration and Re-deepening Phase II

Further exploration drilling at Trojan Nickel Mine is being carried out, the envisaged outcome of which is to secure additional Nickel resources and capacity for the mining of additional ore, leading to an extension of the Life of Mine to more than ten (10) years.

Kingston Hill Exploration

Situated approximately 4 kilometres to the east of Trojan Nickel Mine, Kingston Hill is an exciting prospect for the Company, as it is expected to yield a significant additional ore source for the Group, in the form of an open pit, low-cost mine, should the ongoing technical and operational feasibility studies yield a viable and sustainable business case. Approximately 120 million tonnes of ore at a grade of 0.36% Nickel, equivalent to 432,000 tonnes of Nickel, are expected to be confirmed from this project.

MANAGING DIRECTOR'S
OPERATIONAL REVIEW CONT'D

FOR THE YEAR ENDED 31 MARCH 2022

Trojan Hill

The Trojan Hill deposit is a near mine prospect located less than 1 kilometre from the current Trojan Nickel Mine workings. Potentially, this deposit could yield an additional resource amounting to approximately 3.2 million tonnes of ore at a grade of 0.40%, equivalent to 13,000 tonnes of Nickel.

BSR Slag Dump Re-treatment Project

This project would involve the treatment of a slag dump that accumulated at Trojan Nickel Mine since its inception in the 1960s. The dump contains approximately 3 million tonnes of slag containing an estimated 7,300 tonnes of Nickel, 2,900 tonnes of Cobalt and 6,100 tonnes of Copper. Studies are ongoing to determine the feasibility of extracting the valuable minerals from the high iron content in the slag dump.

Hunters Road

Hunters Road is a nickel deposit that is housed under Hunters Road Nickel Mine (Private) Limited, a 100% subsidiary of BNC. If the ongoing feasibility studies prove that the ore deposit can be mined profitably, then Hunters Road presents BNC with additional resources for mining and potentially provide additional feed for value-addition activities.

Smelter and Refinery

Preliminary discussions have been held with interested parties on possible partnerships towards the resuscitation of the Smelter and Refinery plants.

SUSTAINABILITY

The Company's annual report for 2022 includes an even more extensive section on Sustainability Reporting than was covered in the prior year's annual report. The focus is now shifting towards the identification, quantification and reporting on the impacts that BNC's sustainability efforts have achieved from its operations in the past and will achieve in the future.

ACKNOWLEDGEMENTS

I wish to express my gratitude to the BNC management team and staff for their hard work and dedication during what was a very challenging year. I also thank the Board for their continued support and wise counsel.

On behalf of the Board
Bindura Nickel Corporation Limited

T LUSIYANO
MANAGING DIRECTOR
23 June 2022

BNC Boardroom.

04

LEADERSHIP & MANAGEMENT

DIRECTORS' PROFILES

Muchadeyi "Much" Ashton Masunda

Independent
Non-Executive Chairman

Tenure on the Board: 36 years

Key Skills: Legal Practitioner; Fellow & Accredited Tutor of the Chartered Institute of Arbitrators & Mediators [U.K.]; International Commercial & Sports Arbitrator; Fellow & Tutor of the Institute of Directors Zimbabwe [IoDZ].

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

Other Commitments
Committee Member - BMW Guggenheim LAB in New York; Panellist - International Court of Arbitration for Sport [CAS] in Lausanne, Switzerland; Chairman - Continental Results Management Panel [CRMP] Africa, the Appellate Tribunal which deals with appeals on doping cases in all sporting disciplines throughout Africa.

Michiel "Cobus" Jakobus Bronn

Non-Independent
Non-Executive Director

Tenure on the Board: 6 months

Key skill: Mining Engineering.

Qualifications
B Eng. (Mining and Mineral Engineering), Mine Manager's Certificate, MBA (North-West University) (RSA).

Other Commitments
Group Chief Operating Officer, Kuvimba Mining House (Private) Limited.

David Hugh Brown*

Non-Independent
Non-Executive Director

Tenure on the Board: 2 years

Key Skills: Accounting, Financial Services and Consulting

Qualifications:
B Com (UCT), CA (RSA).

Other Commitments
Non-Executive Director of several listed and non-listed institutions.

*David Hugh Brown served on the BNC Board until his death on 19 June 2022. May his soul rest in eternal peace.

Obey Chimuka

Non-Independent
Non-Executive Director

Tenure: 2 years 5 months

Key Skills: Agronomy, Advisory, Contract Mining, Road Construction Earthworks & Plant Hire.

Qualifications
BCom Marketing & Economics (UNISA), Bachelor's Degree Politics & Administration (UZ), MBA (MSU).

Other Commitments
Chief Executive Officer, Fossil Group.

DIRECTORS' PROFILES CONT'D

Simbarashe Chinyemba**

Non-Independent,
Non-Executive Director

Tenure: Less than 1 month

Key Skills: Strategic Leadership and Management.

Qualifications
BCom (Hons) Insurance & Risk Management (NUST)
Member, Institute and Faculty of Actuaries (UK)

Other Commitments
Group Chief Executive Officer,
Kuvimba Mining House (Private) Limited.

**(Joined the Board on 21 March 2022)

Charity Chiratidzo Jinya (Dr)

Independent,
Non-Executive Director

Tenure: 1 year 2 months

Key Skills: Banking, Finance, Business Leadership and Corporate Governance.

Qualifications
B.A. (Hons) Econ (UK), DBA (Honoris Causa), Fellow Institute of Bankers Zimbabwe, Fellow Chartered Institute of Customer Management.

Other Commitments
Non-Executive Director, Delta Corporation Limited and Old Mutual Investments Group Zimbabwe (Private) Limited.

Cynthia Dinka Malaba (Mrs)

Independent,
Non-Executive Director

Tenure: 1 year 4 months

Key Skills: Accounting, Audit & Risk Management, Supply Chain Management, Manufacturing, Sales & Distribution.

Qualifications
BAcc (UZ), BCompt (UNISA), PG Dip Auditing (UNISA), CA (SA), CA (Z), Global Leadership Program (GIBS)

Other Commitments
Non-Executive Director, Rainbow Tourism Group.

Craig Gerald Meerholz

Non-Independent,
Non-Executive Director

Tenure: 2 years 2 months

Key Skills: Road Freight Management and Commodity Trading.

Qualifications
B Transport & Logistics (SA), Post Graduate Diploma in Transport & Logistics (SA)

Other Commitments
Executive Director, Kuvimba Mining House (Private) Limited.

DIRECTORS' PROFILES CONT'D

Roseline "Rose" Nhamo (Mrs)

Independent,
Non-Executive Director

Tenure: 1 year 4 months

Key Skills: Human Resources Management and Labour Arbitration.

Qualifications
BBS (Hons) (UZ), MBA Nottingham Trent (UK)

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

Innocent Rukweza**

Non-Independent,
Non-Executive Director

Tenure: less than 1 month

Key Skills: Accounting, Finance, Taxation, Systems

Qualifications
BSc (Accounting Science) (Oxford Brookes, UK)
B Com (Hons) (Accounting) (MSU - Zimbabwe), MBL (UNISA), CA (Z), FCCA.

Other Commitments
Group Chief Finance Officer,
Kuvimba Mining House (Private) Limited.

**(Joined the Board on 21 March 2022)

Thomas Lusiyano

Managing Director

Tenure: 1 year 5 months

Key Skills: Mining, Engineering, Business Leadership and Strategy.

Qualifications
BSc (Hons) Mining Engineering (UZ), MBA (UZ), MCom in Strategic Management & Corporate Governance (MSU), MCom in Economics (MSU), Mine Manager's Certificate of Competence (Zim). Full Member of the Institute of Directors Zimbabwe (IoDZ).

Patrick Maseva-Shayawabaya

Finance Director

Tenure: 1 year

Key Skills: Accounting, Finance, Taxation, Systems.

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

Hoist Chamber operation.

SENIOR **MANAGEMENT**

Thomas Lusiyano
Managing Director

BSc (Hons) Degree in Mining Engineering (UZ), Master of Business Administration Degree (UZ), Master of Commerce in Strategic Management and Corporate Governance Degree (MSU), Master of Commerce in Economics Degree (MSU), Mine Manager's Certificate of Competence (Zimbabwe), Full Blasting Licence (FBL) (Zimbabwe). Full Member of the Institute of Directors Zimbabwe (IoDZ).

Patrick Maseva-Shayawabaya
Finance Director

B.Acc (Hons) (UZ), CA (Z).

Conrad Fungai Mukanganga
Company Secretary

B.Acc (Hons) (UZ), MBL (UNISA).

Annie Margaret Sikhosana (Mrs)
Marketing Executive

BSc General (UZ), MSc Analytical Chemistry (UZ), MBL (UNISA), MDP (UNISA).

Rumbidzai Mushati
Human Resources Executive

BSc (Hons) Psychology (UZ), MBA (Strategic Leadership) (UZ), IPMZ.

Simon Masvipe
Finance Manager

B.Acc (Hons) (UZ), FCCA, MBA (UZ).

Eddington Tirivashe Vere
Mine Manager

BSc (Hons) Mining Engineering (UZ), MBA (UZ), Full Blasting Licence (Z), Member SAIMM, ZIE.

Cosmas Ntuli
Acting Engineering Manager

BSc (Hons) Mechanical Engineering (UZ). MZweIE - Engineering Council of Zimbabwe.

Key Skills
Mechanical Engineering in heavy engineering environments including underground and opencast mining operations; Strategic planning and Policy formulation.

SENIOR MANAGEMENT CONT'D

Chawo Nkhoma
SHE and Metallurgical Projects Manager

ND Mineral Dressing and Metallurgy, ND Metallurgical Assaying, MBA.

Jacob Kasumba
Mineral Resources Manager

BSc Geology (UZ).

Itayi Marufu
Concentrator Manager

BSc (Hons) Metallurgical Eng. (UZ), Post Grad Dip in Management (GMDP - BTD and UZ).

Ali Nyirenda
Procurement Manager

Masters in Procurement, Logistics and Supply Chain Management.

Warren Tafirei Mchina
Laboratory Manager

BSc Chemistry and Mathematics (UZ)

Tavengwa Mutsambwa
Information Technology Manager

BBS and Comp Science (UZ), MBA (ZOU), CISM, CISA.

Pemberai Tanda
Underground Manager

BSc (Hons) Mining Engineering (UZ), MSc Mining Engineering (WITS), Certified Associate in Project Management ("CAPM" – Project Management Institute (USA)).

Nixon Mugwadhi
Mine Planning Manager

BSc (Hons) Mining Engineering (UZ), Diploma in Modern Management & Administration (CTC), Strategic Management in Business & Administration (SMBA) (NUST). Full Blasting Licence (Zimbabwe, Zambia).

Member: - SAIMM, AMMZ, Engineering Institute of Zambia (EIZ), Engineers' Registration Board of Zambia (ERBZ).

CORPORATE
GOVERNANCE


Surveyor at work.

CORPORATE GOVERNANCE

Bindura Nickel Corporation Limited recognises the importance of sound corporate governance and values. The conduct of the Board ensures that the company and its leadership and functionaries is consistent with best practices in corporate governance and legal provisions. BNC will continue to review and align its corporate governance practices with the National Code on Corporate Governance Zimbabwe ("ZIMCODE") (2014), Companies and Other Business Entities Act (Chapter 24:31) and the Victoria Falls Stock Exchange Listing Requirements.

BOARD AND DIRECTORS' RESPONSIBILITIES

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 Articles of Association. The Board as a whole, approves appointments of new directors. The Nominations, Human Resources and Remuneration Committee (NHR and REMCO) recommends any new appointment of directors to the Board, based on the attributes of the candidates and the relevance of their background and experience. The Board periodically reviews the structure, size and composition of the Board.

BOARD COMPOSITION

The Board has 12 members: 4 Independent Non-Executive Directors, 6 Non-Independent, Non-Executive Directors and 2 Executive Directors. There were four Board appointments and one resignation during the year. Mr. Jozef Clifford Behr resigned from the Board on 30 September 2021. The four new directors appointed during the year were Messrs. Patrick Maseva-Shayawabaya, Michiel Jakobus Bronn, Simbarashe Chinyemba and Innocent Rukweza.

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 and Risk Committee. We wish Mr. Behr success in his future endeavours.

CORPORATE GOVERNANCE CONT'D

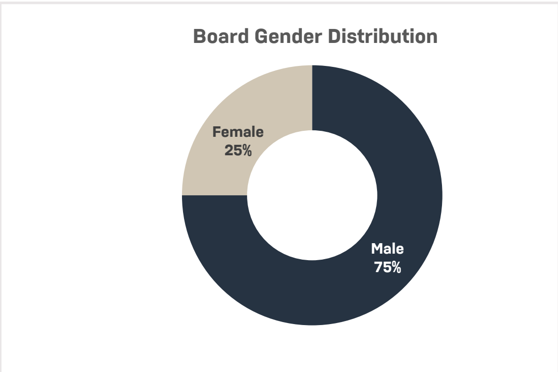
Mr. Patrick Maseva-Shayawabaya was appointed to the Board upon joining the Company as Finance Director on 1 April 2021.

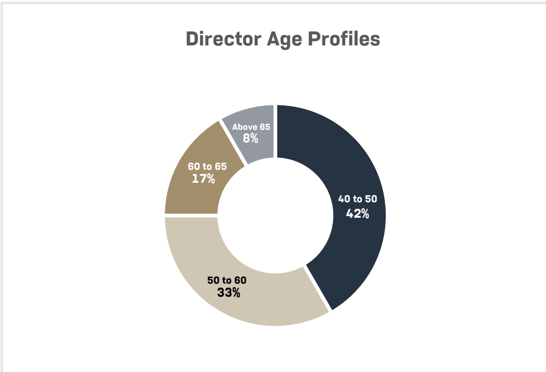
Mr. Michiel Jakobus Bronn was appointed as a Non-Executive Director on 1 October 2021. Mr. Bronn is a seasoned mining engineer with over 30 years executive mining and project management experience in the gold, Platinum Group Metals (PGMs) and coal sectors in South Africa. Mr. Bronn joined Kuvimba Mining 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.

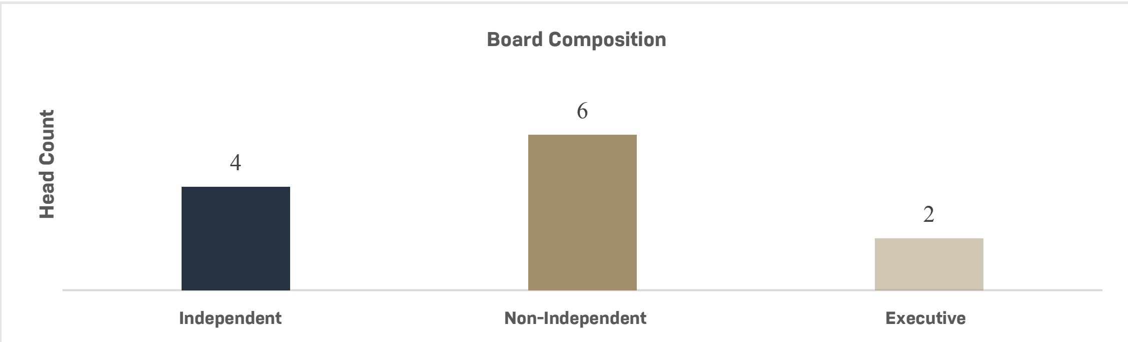
Mr. Simbarashe Chinyemba was appointed as a Non-Executive Director of the Company with effect from 21 March 2022. He is a Fellow of the Institute of Actuaries and currently the Group Chief Executive Officer of Kuvimba Mining House. He was previously the Group Chief Operating Officer.

Mr. Chinyemba held various leadership and board roles in the United Kingdom, Bermuda, Asia, the Middle East and various African countries. Some of his previous roles include being the regional CEO of the South African insurance giant Momentum Metropolitan Holdings operations in East Africa (JSE: MMI). He was also the Chief Actuary and Executive Director for the NASDAQ listed company, International General Insurance Company (NASDAQ: IGIC).

Mr. Rukweza was appointed as a Non-Executive Director with effect from 21 March 2022. He is currently the Group Chief Finance Officer of Kuvimba Mining House. Mr Rukweza is a member of the Institute of Chartered Accountants of Zimbabwe (ICAZ) and Fellow Member of the Association of Chartered Certified Accountants (ACCA). With over 10 years as an executive in the fuel, tourism and mining sectors in Zimbabwe and South Africa, Innocent brings to the Board a wealth of diverse executive and operational financial skills and experience.







BOARD COMMUNICATION SYSTEMS

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

CORPORATE
GOVERNANCE CONT'D

DIRECTORS' DECLARATIONS

In terms of the Company's 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	Number of Shares
	2022	2021
Charity Chiratidzo Jinya	-	1,953
Muchadeyi Ashton Masunda	666,667	666,667

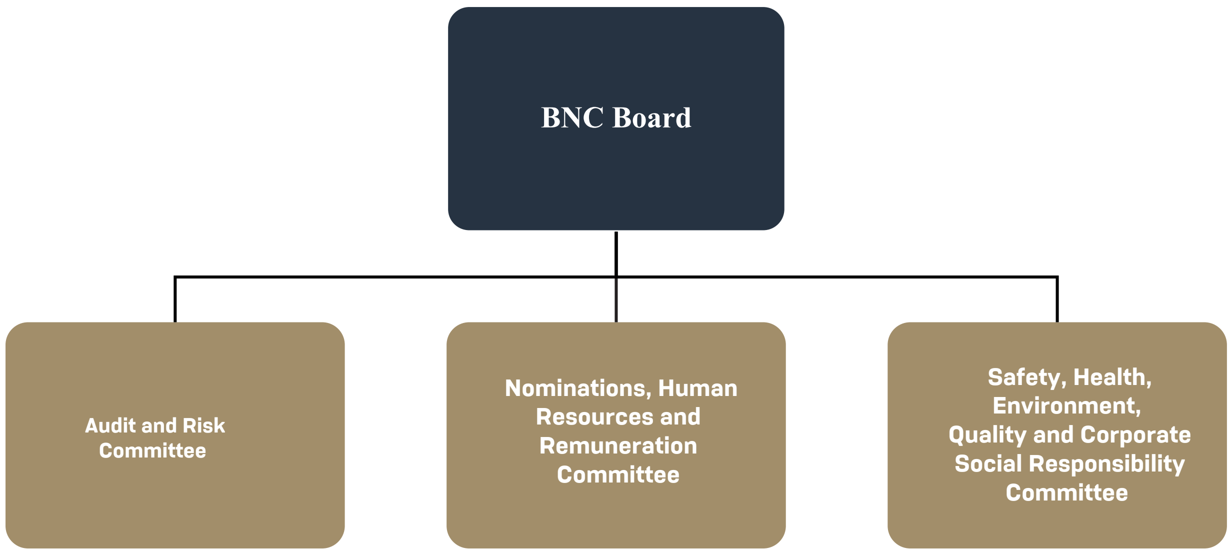
Share Dealings

Any Director, officer or employee 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) and Corporate Social Responsibility (CSR) Committee. Operational performance targets on sustainability issues are set by the Operations Committee (OPCOM). All sustainability issues are escalated to the Board through relevant committees for timely decisions.

BOARD COMMITTEES



CORPORATE **GOVERNANCE** CONT'D

BOARD COMMITTEES

Bindura Nickel Corporation has an Audit and Risk Committee; a Nominations, Human Resources and Remuneration Committee and a Safety, Health, Environment, Quality and Corporate Social Responsibility (SHEQ and CSR) Committee, whose details are provided below:

Committee	Members	Terms of Reference
Audit and Risk Committee	Mrs. Cynthia Dinka Malaba (Chairperson) Mr. David Hugh Brown Dr. Charity Chiratidzo Jinya	The Audit and Risk Committee meets at least four 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.
Nominations, Human Resources and Remuneration Committee ("NHR and REMCO")	Mr. Muchadeyi Ashton Masunda (Chairperson) Mr. Obey Chimuka Mrs. Roseline Nhamo	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 meets at least three times a year.
Safety, Health, Environment, Quality and Corporate Social Responsibility ("SHEQ and CSR") Committee	Mr. Obey Chimuka (Chairperson) Mr. Craig Gerald Meerholz Mrs. Roseline Nhamo	The SHEQ and CSR Committee continuously reinforces the Company's commitment to its employees and the environment in which they are employed. Reporting to the Board of Directors, this Committee ensures procedures and processes are in place to safeguard 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 local area. The Committee meets at least twice a year.

Committee Meeting Attendance

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

Director	Board Meetings	Audit and Risk Committee	NHR and REMCO Committee	SHEQ and CSR Committee	Commentary
Mr. Muchadeyi Ashton Masunda*	5/5		3/3		
Mr. Michiel Jakobus Bronn	2/2				New Board Member
Mr. David Hugh Brown	4/5	2/3			Apologies
Mr. Obey Chimuka	4/5		3/3	2/2	Apologies
Mr. Simbarashe Chinyemba	1/1				New Board Member
Dr. Charity Chiratidzo Jinya*	5/5	3/3			
Mrs. Cynthia Dinka Malaba*	5/5	3/3			
Mr. Craig Gerald Meerholz	5/5			2/2	
Mrs. Roseline Nhamo*	5/5		3/3	2/2	
Mr. Innocent Rukweza	1/1				New Board Member
Mr. Thomas Lusiyano	5/5				
Mr. Patrick Maseva- Shayawabaya	5/5				

*Independent Non-Executive Directors

DIRECTORS' **REMUNERATION REPORT**

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

EXECUTIVE REMUNERATION PACKAGE

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 under circumstances stipulated in the scheme rules 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. The options cannot be exercised or granted during the Company's closed period.

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 3 months' notice. The non-executive directors do not have employment contracts.

DIRECTORS' RESPONSIBILITY STATEMENT

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 106 to 149 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 directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors (the "Board") sets standards for internal control aimed at reducing the risk of error or loss, in a cost-effective manner. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. The controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that, in all reasonable circumstances, is above reproach.

The directors believe, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements.

However, any system of internal financial control can provide only reasonable and not absolute assurance against material misstatement or loss.

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

The financial statements have been audited by an independent firm, Ernst & Young Chartered Accountants (Zimbabwe) who have been given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board and Committees of the Board. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. The Ernst & Young Audit Report is presented on pages 101 to 105.

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
23 June 2022

C D MALABA
AUDIT AND RISK COMMITTEE CHAIRMAN
23 June 2022

BUSINESS
ETHICS AND COMPLIANCE

ETHICAL VALUES

At BNC, how we achieve our objectives as a company, is just as important as our achievements. This explains why transparency and integrity are key values in our business. We expect everyone: employees, directors, and business partners to be representatives of our high ethical standards. We have created an environment where 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 and 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 to 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. We take the issue of corruption seriously, which has resulted in minimal or complete lack of recorded/proven fraud/theft in the Company.

BNC used to have an anti-bribery and anti-corruption policy in place. That policy fell out of use during the recent shareholder changes and will be resuscitated in FY2023. The Company launched the Deloitte Tip-offs Anonymous initiative in May 2022, as a clear demonstration of its commitment to fight corruption. This is a whistleblowing initiative aimed at providing an anonymous reporting facility in the following areas: theft, fraud, corruption, conflict of interest, misuse of company property or assets, sabotage, nepotism, sexual harassment, and safety & health related issues. Reports by whistle blowers are channelled through Deloitte Zimbabwe and are forwarded to the Company, which has set up administrative structures, at Board and Management levels to attend to reported issues. To ensure the success of this initiative, an incentive scheme has been put in place, specifying monetary rewards to whistle blowers whose reports lead to the recovery of lost property or the exposure of the nature of offences and/or the culprits perpetuating the misdemeanours.

At BNC, our goal is effective, fraud and corruption proof internal control systems, with a target of zero corruption and zero fraud. In tracking the effectiveness of the action, the Company has internal auditors who conduct regular internal audits in order to test the strength or weakness of our existing internal controls. All identified weaknesses were reported to Management and to the Audit & Risk Committee and corrective action was taken to ensure that the weaknesses were fully addressed. Internal and external audit reports for the past two (2) financial years have indicated that the Company's internal controls were generally sound and effective. Throughout this financial year, we learnt that there is always the need to ensure adequate segregation of duties. The identified weaknesses in this regard have been a reminder to Management of the need to constantly review and tighten controls.

BUSINESS ETHICS AND COMPLIANCE CONT'D

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 a Corporate Services Department (CSD) which, inter alia, is tasked with handling compliance issues. The Department is involved in identifying and monitoring the business compliance risks exposure while ensuring that BNC remains aware of and is compliant with all the applicable laws and regulations.

COMPLIANCE MANAGEMENT

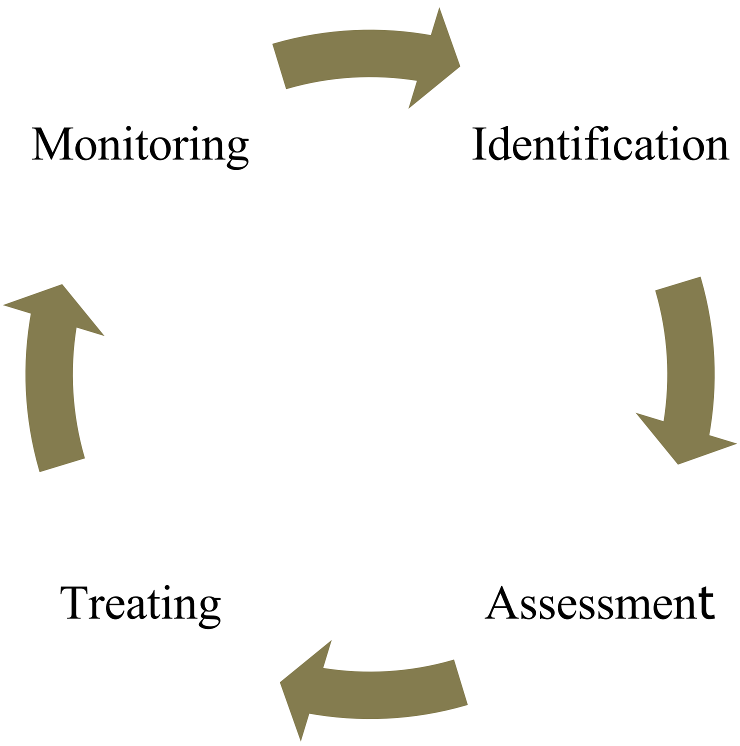
The Company monitors, enforces and evaluates risk relating to compliance. The monitoring is conducted through daily, weekly, monthly and annual reporting systems. The business holds quarterly Board Meetings, through which sections, departments and the Company itself, report on compliance performance, 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, the Company complied with all applicable laws and regulations.

RISK MANAGEMENT

The identification and management of risk is key to the success and achievement of our strategic and operational goals. This enables us to prevent risk occurrence and its 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 framework is made up of four pillars which involve: (1) identification, (2) assessment, (3) treating and (4) monitoring the risk.



RISK MANAGEMENT CONT'D

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, processing, environmental, mining and operating, energy, financing, and political risks.

Risk Classification	Risk Description	Mitigation Measures
Economic Risk	Forfeiture of hard currency (USD) on foreign transactions – (country risk).	• Settle foreign payments in other currencies (Rands, Euros, and Pounds).
	Uncompetitive pricing of goods and services threatening cost of production (Increase in local input cost).	• Optimize on foreign procurement. • Competitive local procurement.
Demand Risk	Falling Nickel prices.	• Mine plan for continuous extraction of economical grades. • Scale down operations. • Continuous review of break-even price in order to minimise costs and ensure optimisation of the mineral resource. • Explore Nickel price hedging.
Business Interruptions & Downtime Risk	Unreliable and obsolete plant, equipment, and ICT equipment.	• Implement equipment replacement and rebuild plan. • Condition based monitoring and preventive maintenance.
	Pandemic / epidemic e.g. COVID-19.	• 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.w • Creating back up teams for essential services, operations and medical personnel.
	Inadequate Insurance Spares	• Implement insurance spares procurement plan. • Continuous monitoring and maintenance of stock levels.
	The Enterprise Resource Planning (ERP) system is no longer supported.	• Upgrade to latest version of ERP / Replace ERP.
	Power supply challenges, including load shedding.	• Secure ring-fenced power supply from ZETDC. • Provide solar power via Power Purchase Agreement. • Maintain back-up generators for business (ICT) support.
Business Risk	Inadequate exploration: Life of Mine (LOM) for Trojan Nickel less than 10 years.	• Implement exploration plan: on-mine and near-mine sources. • Embark of comprehensive evaluation drilling to understand the quality of the resource
Political Risk	Inconsistent government policies / legislative environment.	• Lobby policy / legislation, through Chamber of Mines.
Information Technology Operational Risk	Information Technology (IT) disaster and cyber-attacks causing business interruption.	• Maintain disaster contingency plans. • Implement back-up strategy. • Fall back on back-up strategy, as required.

RISK
MANAGEMENT CONT'D

ENVIRONMENTAL RISK MANAGEMENT

We operate in an industry that is highly regulated given the 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 environmental risks through the ranking of significant areas of potential environmental 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 funding 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 Company 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 144 to 147 in the financial statements.

Employee wearing PPE correctly.


Biodiversity at the slimes dams.

08

SUSTAINABILITY

Collecting a sample to measure the slurry density from the cyclone underflow at the slimes dam.

SUSTAINABILITY

OUR SUSTAINABILITY STRATEGY

BNC is committed to operating a business that is long term oriented and cognisant of its social, economic, and environmental impacts. We embrace all the facets of sustainable development and seek to create shared values with our stakeholders through the adoption of leading best practices and international certifications. BNC continues to leverage on its ISO/IEC 14001, ISO/IEC 45001 and ISO/IEC 17025 accreditations and other policies to comprehensively manage and implement the sustainability goals. Maintaining compliance with the standards allows us to supply sustainably mined Nickel concentrate, a key resource for the development of renewable energy.

The business adopted the Global Reporting Initiative (GRI) Standards to enable it to comprehensively account for its impacts. We continue to use the standards to measure our performance and impacts on the economy, environment, and society.
Our sustainability strategy rests upon the following main themes:

SUSTAINABILITY CONT'D

RESPONSIBLE MINING

We recognise that our operations have environmental impacts. As such, we manage our mining value chain by adhering to our ISO/IEC14001 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 monitor and minimise negative impacts.

EMPLOYEES

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

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 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. Employee training and education is maintained for prompt reporting of incidents to management. BNC aims to achieve Zero Harm by strongly adhering to ISO45001 certification and the national regulations.

ECONOMIC IMPACTS

Mining plays a significant role in sustainable development in Zimbabwe. It is a major source of foreign currency earnings. BNC recognises the significance of its operations to the economic success of the 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.

SUSTAINABILITY CONT'D

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 such 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
- Government and Regulators
- Customers
- Suppliers
- Local Communities

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 our stakeholder engagement activities carried out during the year:

Stakeholder	Material Issues Raised for Stakeholder Concerns	Mitigation Measures	Communication Channels	Frequency of Engagement
Employees/Staff	• Salaries review. • Working conditions.	Continuous employee engagement.	Liaison meetings. Works Council meetings. Employee briefs. Employee Engagement Survey.	Monthly. Bi- annually.
Suppliers	• Late payment for goods and service. • Price levels and currency of invoicing.	Contractual agreements and reviews.	Contract, agreements and emails.	Ad hoc.
Customers	•Nickel concentrate quality. •Payment terms.	Off-take contract	Monitoring of compliance with contract terms.	On-going verbal and written communication.
Government & Regulators	•Mining Legislation: High fees. •Taxation: High rates. •Labour Laws: Restrictions on separation.	Lobbying through the Chamber of Mines of Zimbabwe. Consultation on Mining laws and collective bargaining agreements.	Press Releases. Annual Report. Website. AGMs. Regular Meetings of and publications from the Chamber of Mines of Zimbabwe.	Quarterly, Half Yearly, Annually. Ad hoc.
Shareholders and Potential Investors	•Life of Mine concerns. •No dividends.	Ongoing evaluation of new mining projects. Improved profitability through business growth, prudent cash flow management and cost control.	Press Releases. Annual Report. Website. AGMs .	Quarterly, Half Yearly, Annually
Local communities	•Impact of business operations on the community.	Discussions with community leaders.	Meetings.	Ad hoc.

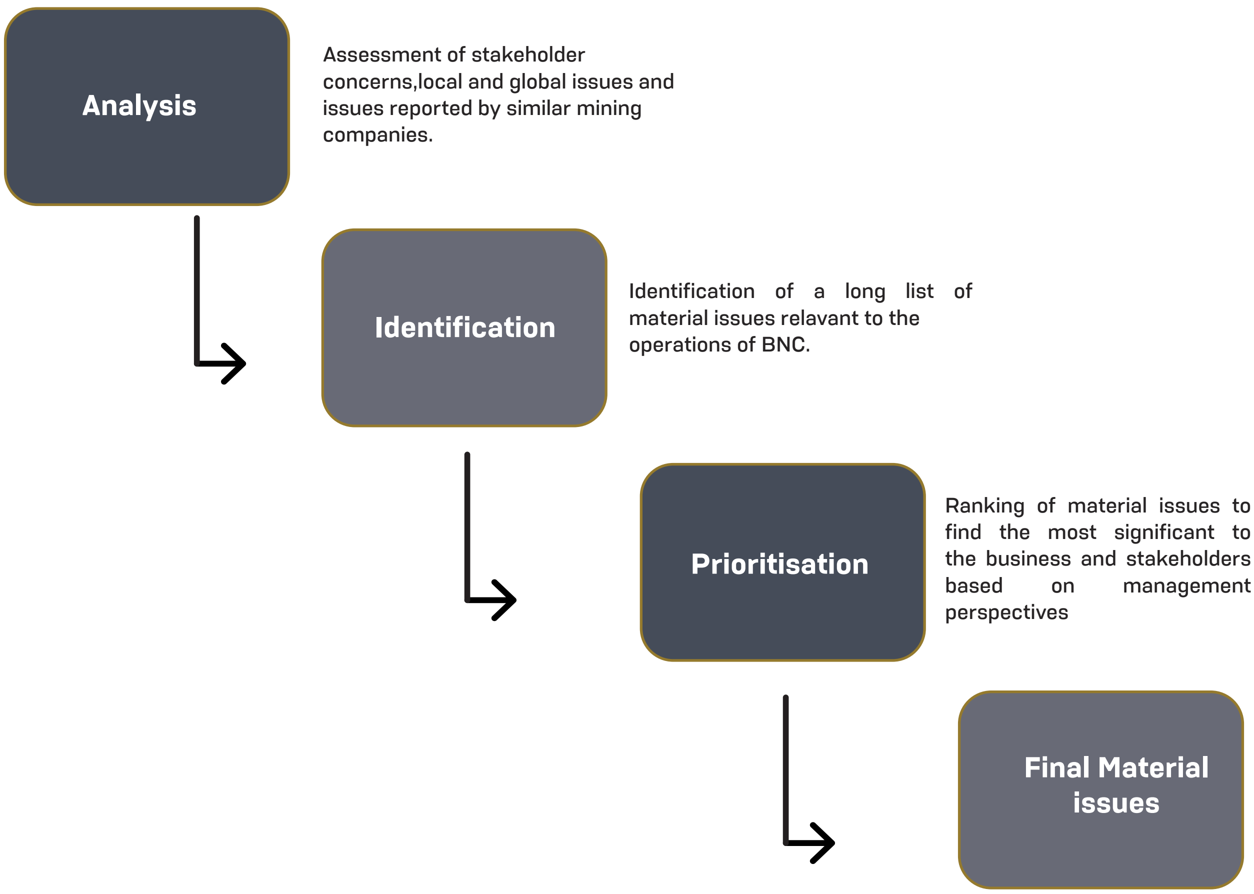
SUSTAINABILITY CONT'D

MATERIALITY

The business conducts materiality assessments every year to establish critical stakeholder information needs and areas of key risks and opportunities. The process for determining material issues is informed by the Global Reporting Initiative standards.

Materiality Approach

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. Our assessment process was based on three stages- analysis, identification and prioritisation. Below is a description of each stage in the process:



MATERIALITY ASSESSMENT

A materiality assessment was conducted through a survey of 23 identified issues categorised as follows:

Environmental	Social	Economic
• Water. • Materials. • Waste Management. • Energy. • Air Quality. • Biodiversity. • Greenhouse Gas Emissions. • Tailings Storage and Facilities Management. • Closure and Rehabilitation planning.	• Occupational Health and Safety. • COVID19 Impacts Management. • Local Communities. • Security Practices. • Employment. • Diversity and Equal Opportunity. • Training and Education. • Employee Relations and Engagement.	• Anticorruption. • Economic Performance. • Tax. • Procurement Practices. • Responsible Supply Chain Managment. • Mine Expansion.

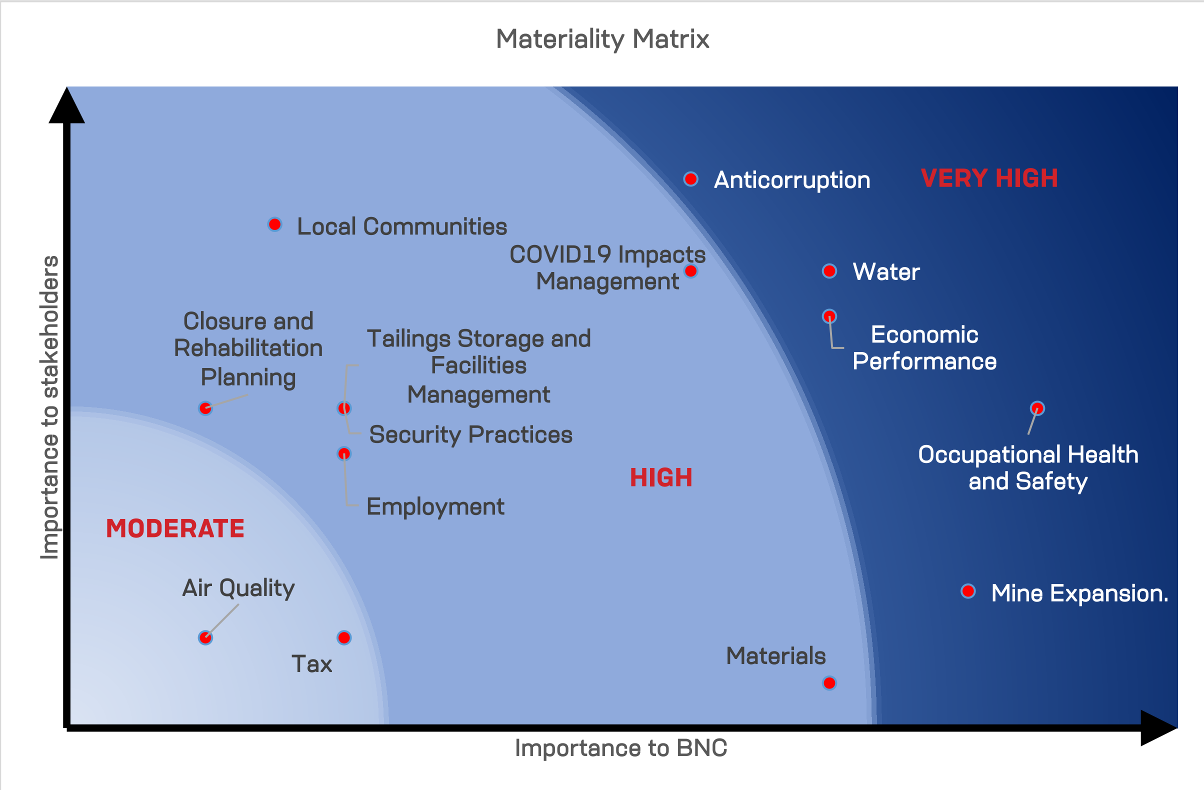
COVID-19 prevention.

Concentrates sampling.

SUSTAINABILITY CONT'D

MATERIALITY ASSESSMENT

The material topics above were narrowed down to the top 14 topics as shown in the matrix below:



The materiality matrix above shows three categories of materiality levels of the prioritised topics. Topics ranked 'very high' represents the most significant risks or opportunities to the business and therefore requiring urgent attention, topics ranked high are considered less risky while those ranked moderate can be considered to be under control but requiring continuous monitoring.

Anti-corruption, water, economic performance, occupational health and safety and mine expansion emerged as the most significant topics for the business and stakeholders in FY2022.

RESPONSIBLE **MINING**

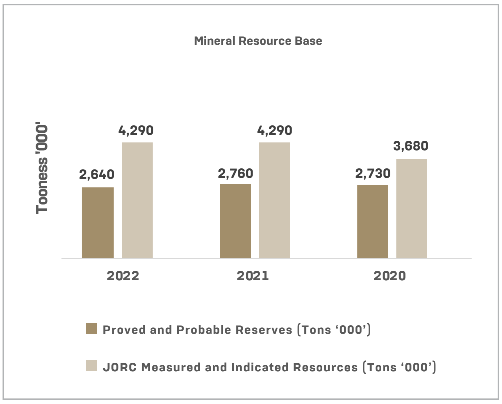
The production of Nickel has direct implications on the environment and society through habitat destruction, biodiversity loss and land degradation. The business is cognisant of these risks and ensures extraction is done responsibly and sustainably. BNC is guided by the following commitments:

- Zero Harm to the environment;
- Demonstrate active stewardship of land and biodiversity; and
- Prevent or minimize adverse impacts arising from operations.

These commitments are achieved through the SHE policies signed by the Managing Director, SHE Manager, Works Council Chairpersons (employee and managerial), and Mine Manager.

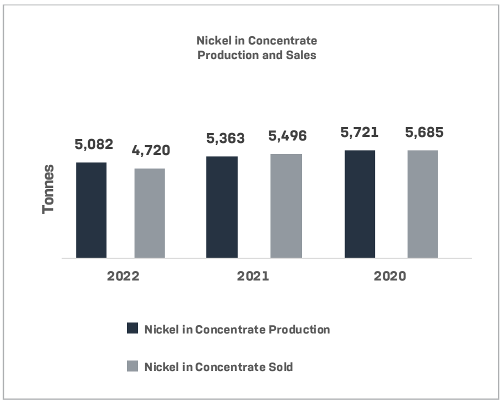
Below are our Nickel resource base and extraction statistics:

MINERAL RESOURCE BASE – TROJAN NICKEL MINE



	2022	2021	2020
Proved and Probable Reserves (Tons '000')	2,640	2,760	2,730
JORC Measured and Indicated Resources (Tons '000')	4,290	4,290	3,680
Resource Years at Current Production Rate	8	10	8

PRODUCTION



	2022	2021	2020
Production Rate (Tonnes per year)	461,130	412,605	436,013
Nickel In Concentrate Produced (Tonnes)	5,082	5,363	5,721
Nickel In Concentrate Sold (Tonnes)	4,720	5,496	5,685

RESPONSIBLE **MINING** CONT'D

MINING WASTE MANAGEMENT

Our mining operations generate both hazardous and non-hazardous waste. The bulk of waste generated is largely non-hazardous and composed of waste rock and scrap metal. We also generate some waste which is radioactive in nature. This explains why waste management is critical not only to align with regulatory requirements and international best practices to minimise loss, but to also help us meet our commitments to responsible mining. Our processing plant produces slimes waste and effluent water while the village and offices produce household waste, paper and plastics. Our Control of Documented Information Procedures (BNC SHEMSP 008) guides our waste management. All procedures are followed religiously and continuously reviewed. Our key waste streams and management are detailed below:

Waste Type	Management criteria
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.
Waste rock.	Disposed at the waste rock dump and used for general road construction.
Hazardous waste.	Stored at the Iron Arsenic Bay and licensed emission flues.

Waste Management Licences

Trojan Nickel Mine holds a licence for handling, management and disposal of hazardous materials. All four discharge sites of the mine are compliant with requirements and fall within the Blue Band of the Environmental Management Agency (EMA) regulations. The business is currently acquiring the Certificate of Authorisation to Store and Possess Ionising Radiation Apparatus. A storage facility meeting requirements of the Radiation Protection Authority of Zimbabwe (RPAZ) is already in place.

Hazardous and Radioactive Waste Management

The business seeks to ensure that the waste that it generates is disposed of appropriately or sold to environmentally conscious buyers. Iron arsenate is one of the hazardous wastes generated. We have a holding point for this waste for disposal in large quantity. Risk may arise when the bay gets full and may result in the discharge of liquid waste into the environment. We are working to manage disused radioactive materials due to the absence of a proper disposal method and disposal facility, as identified by RPAZ. To manage these risks the iron arsenic bay has a bundled wall to reduce exposure for employees working with radioactive equipment. All decommissioned radioactive equipment awaiting proper disposal method and facility is isolated. Employees working in areas with radioactive material have badges for tracking their exposure periodically while those handling iron arsenic waste are provided with personal protective equipment.

General Waste Management

The business manages general waste through segregation and disposal in colour-coded bins. We encourage all employees and other stakeholders to segregate waste as a means of recovering value. Those who collect waste and work at the sewage facility are given a preventative dose for Hepatitis B in line with the Ministry of Health and Child Care guidelines.

Used Oil

The business generates significant amounts of used oil. This oil is sold to third parties for secondary use. BNC has contractor management guidelines for screening those who can purchase used oil from the Company.

To track the effectiveness of waste management, we ensure that Environmental Management Programmes (EMP) are in place. We also conduct quarterly sampling, list and schedule for Hepatitis B injections through our clinic, dose badge allocation record-concentrator, monthly medical examination tracker, permits from RPAZ and reports of inspections and surveys by RPAZ as a way of assessing our performance against our goal of Zero Harm to the environment.

RESPONSIBLE
MINING CONT'D

Waste Generation and Disposal method

Waste Type	Disposal Method	Unit	2022	2021	2020
Hazardous waste	Incineration (without energy recovery)	Tons	0.51	0.51	0.43
	Storage at iron arsenic bay	Tons	0.72	142.05	142.05
Non- Hazardous	Incineration (without energy recovery)	Tons	0.0	0.04	0.03
	Landfilling	Tons	173.11	134.28	128.57

We are happy to report that all our radio-active equipment is registered with RPAZ. In addition, we ensured that all interested parties are well informed about our operations to avoid complaints and litigation pertaining waste management.

Tailing Storage and Facilities (TSFs)
The mining industry faces significant operational hazards, particularly those associated with structural integrity of TSFs. The continual existence and management of the TSFs is key to managing the safety risks, avoiding environmental pollution and complying with regulations.

Managing TSFs
We use the following to manage our TSF:

- Phreatic surface daily measurements on the dam wall through installed piezometers and underdrains.
- Monitoring and measuring the quality of water bodies around the facility.

BNC conducts monitoring exercises to mitigate any negative effects of dust from the TSF surface by irrigating the dam wall using recycled water. The monitoring helps us avoid risk of temporary mine closures, lawsuits and penalties from breach of TSF requirements.

In order to avoid breach of the TSF, BNC took several actions that included installation of additional piezometers to monitor phreatic surface, planting of vegetation, perimeter fence maintenance and jet rodding (unblocking) of under drain to ensure seepage water is discharged efficiently. In addition, the company engaged communities to control movement of their livestock following the repair and replacement of stolen perimeter fence which minimise unauthorised access to the TSF.

TSF Management Goals
Our main goal is Zero Harm to the environment and this includes ensuring dam stability or integrity. The following targets help us achieve these goals:

- Pool distances from wall 240 metres (critical safe distance).
- Dam wall inclination angle at 21 degrees.
- Freeboard height at 2 metres.
- Berm width or bench at 8 metres.

The above targets are monitored by the following indicators: piezometer reading, drainage flow rates, density monitoring and through benchmarking.

RESPONSIBLE MINING CONT'D

Mine Closure and End of Life Planning

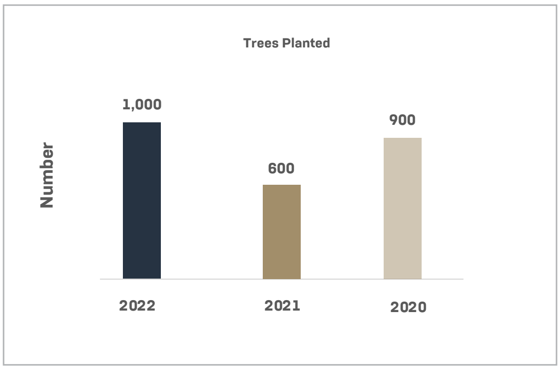
At the end of the commercial use, BNC is expected to close facilities and rehabilitate operational sites. Impacts can occur during and after closure, therefore as BNC, we have a mine closure plan. The closure plan is reviewed periodically to ensure continued relevance to the current risks. The BNC Mine Closure Plan was last reviewed in 2020 and there are financial commitments to facilitate the renaturation of mine sites after closure while reducing negative socio-economic impacts on local communities. An amount of $13,901,936 has been provided for in the Company's accounts for the year ended 31 March 2022 for mine rehabilitation and reclamation. Key actions focused on the emergency silt pond environmental management plan and monitoring underground water pollution. The business also plants trees on an annual basis.

Management approach

Mine Closure Plans are reviewed every two years by an external consultant. The exercise often involves assessment of reclamations, sustainability plans and assets evaluation. The findings inform the business closure plans. Current rehabilitation efforts include:

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

Tree planting



Indicator	2022	2021	2020
Trees Planted	1,000	600	900

MINE EXPANSION

The growing demand for Nickel due to the increased call for battery raw materials creates a significant opportunity for us 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 improved efficiencies.

Our mine expansion goals are:

- To fully utilise plant capacity of 900,000 tonnes per year (current capacity utilisation: 55%).
- Ramp up development from 3,000 metres to 8,000 metres over the next 5 years to sustain the Company's production objectives.
- To drill 7,000 metres of exploration diamond drilling for resource extension by end of FY2022.
- To rehabilitate waste rock dump as per the Mine Closure Plan.

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

Aerial view of water treatment plant at Trojan Nickel Mine.

10

SUSTAINABILITY PERFORMANCE & IMPACTS

SUSTAINABILITY
PERFORMANCE & IMPACTS

Our operations generate positive and negative impacts across our value chain and neighbouring communities. The business measures these impacts using key performance indicators (KPIs) adopted from the Global Reporting Initiative Standards. We aim to continuously reduce our impacts by closely monitoring how we perform on a monthly basis while providing feedback to the Board of Directors quarterly. We adopted best practices embedded in ISO standards and these drive management actions and inform our policies in key result areas (KRAs). To that effect, we evaluate our management approach on their suitability to deliver desired impacts.

WATER

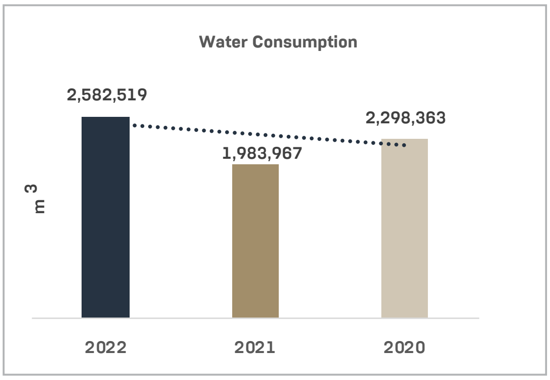
Water is a significant resource for our operations whose adequacy and quality are essential. We draw water from sources shared with nearby communities. BNC draws all its water from the Mazowe River. In the past few years, the increased production and growing mine population resulted in increased consumption of water from a target of 2,160,000 mega litres to a total of 2,582,519 mega litres annually.

Management of Water

We are committed to the safe and efficient abstraction, consumption and discharge of water. The mine holds a water abstraction permit from the Zimbabwe National Water Authority (ZINWA). Water abstraction is monitored at source using an abstraction meter. The meter reading is collected monthly and compared with monthly production and the monthly water balance report.

We are committed to saving water and achieve this through water recycling. The business conserves water through recycling, hence decreasing the abstraction rate from the river. We are happy to report that the mine is recycling approximately 90% of water abstracted. Throughout the year we managed to incorporate the water management plan into company procedures. This is critical since ZINWA only allocates permits to companies which can effectively demonstrate effective and responsible water abstraction and management. These management actions or plans are documented in the Safety Health and Environmental policy as required by the Zimbabwe National Water Authority (ZINWA) Act (Chapter 20:25) and ISO/IEC 14001(2015): Environmental Management Standard. The business has a mandatory water abstraction agreement with ZINWA which requires it to limit consumption to 180,000m3 per month.

Measurement Systems	External Performance Ratings
Water balances **Flow meters** **Quarterly EMA analyses**	**DQS Non-Compliance for over abstraction**



In the past few years, the mine has been expanding in both its operations and population which has resulted in increased water consumption. Portable or domestic water consumption increased by 15% or 144,358 cubic metres in the year ended 31 March 2022 compared to the previous year, thus contributing about 7% to the total water abstraction increase of 30%. This was in line with Management's commitment to avail adequate water for domestic use within the mining community. The remaining 23% increase is attributed to mine expansion activities such as the re-deepening of the mine and the increase of milled tonnage.

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 recognise the impacts of mine expansion and mineral beneficiation 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. The business recognises its direct contribution to climate change through energy consumption and deforestation. However, local communities tend to cut down trees to avert impacts of electricity load-shedding.

MANAGEMENT APPROACH

The business has several tools for managing energy which include energy metering at various points in 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.

During the reporting period, the business was focused on the following:

- Investing in energy efficient equipment.
- Investing in equipment that has a low carbon footprint.
- Implementing production, operation and maintenance practices that result in energy efficiency.

We achieved the above through monitoring energy consumption efficiencies (including unit fuel consumption of mobile equipment and power factor management, maximum demand management and time-of-use management on electrical power consumption). We avoid stop-start plant operations by running with a minimum stockpile level of at least 500 tonnes. We also maximise energy consumption efficiencies (including unit fuel consumption of mobile equipment and power factor management, maximum demand management and time-of-use management on electrical power consumption).

To track effectiveness of our energy management, we use benchmarks and energy audits. It is our goal to improve energy efficiency on fuel and electricity, hence we target 71 kWh/Tonne Hoisted, 54 kWh/Tonne Milled and 1.99 Litres/Tonne Hauled. While our actions have been effective, this remains an area of improvement contingent on:

- Timeous equipment replacement with appropriately specified energy efficient equipment.
- Effective and efficient equipment maintenance.
- Efficient mining and processing operations.
- Implementation of solar project which is in its initial stages.

So far, the progress made towards our target is as follows:

1. Achievement of Hoisting and Milling Targets

- 71kWh/Tonne Hoisted:
- 54kWh/Tonne Milled to counter the effects of stop-start plant operations, the milling plant would only be run when a minimum ore stockpile level has been attained.
- 1.99 Litres/Tonne Hauled.

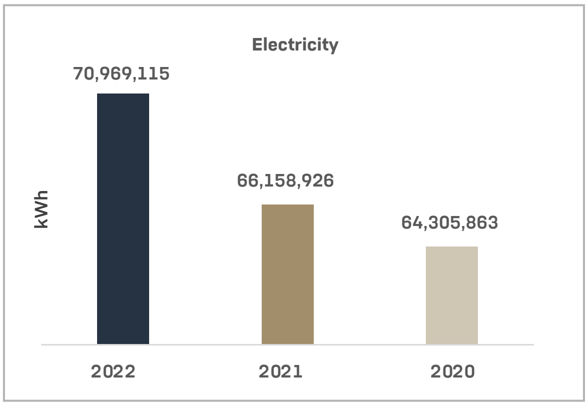
2. Long term Capital Equipment Replacement plan in place.

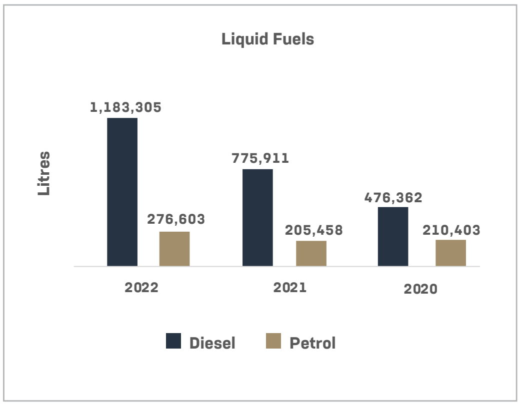
3. Improvements achieved and continuous assessment of:

- Maintenance practices (benchmarking metrics introduced).
- Efficient mining and processing operations.
- Solar project initiated.

ENERGY CONT'D

Energy Source	Units	2022	2021	2020
Electricity	kWh	70,969,115	66,158,926	64,305,863
Liquid Fuels				
Diesel	Litres	1,183,305	775,911	476,362
Petrol	Litres	276,603	205,458	210,403
Total Fuel Consumption	Litres	1,459,908	981,369	686,765





Increase in electricity consumption for the year ended 31 March 2022 was mainly due to an increase in ore and waste hoisted as well as an increase in hoisting distances following the commissioning of the Re-deepening Project.

Diesel consumption was above prior year due to increased tramming distances of Load Haul Dump machines and Dump trucks. Petrol consumption increased due to more fuel allocated to employees to decongest vehicles in order to manage COVID-19.

The need to timeously replace equipment remains critical for effective equipment maintenance and the achievement of energy efficiency. Therefore, a life cycle asset management plan is now in place and maintenance improvement programmes are being developed. Mine design and mine planning for efficient energy management have been incorporated into the business plan.

EMISSIONS

Air Quality

Our operations have significant impacts on air quality through greenhouse gas emissions. However, these emissions are considerably negligible given that our smelting operations are currently closed. Our current sources of Nitrogen Oxide (NOx) and Sulphur Oxide (SOx) include the laboratory stacks, emergency generators, incinerators and air 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 period under review, we conducted quarterly air quality assessments as required by the Air Pollution Control Regulations: SI.72 of 2009. Quarterly surveys were done at all emission points, followed by quarterly submission of reports to EMA on the following points:

- 7 Adit Incinerator.
- Clinic Incinerator.
- Laboratory.
- Emergency generator.

In addition, employee vehicles are inspected quarterly, whilst contractor vehicles are inspected before getting into the workplace. All pool vehicles are inspected daily, to check for oil leaks and visible signs of exhaust smoke.

We target to make sure that all machinery and equipment produce permissible emission levels. We therefore use the following as key performance indicators:

- NO (kg) - Permissible is less than 5,000 kg/quarter.
- NO2 (kg) - Permissible is less than 5,000 kg/quarter.
- NOx (kg) - Permissible is less than 5,000 kg/quarter.
- SOx (kg) - Permissible is less than 5,000 kg/quarter.
- Particulates (kg) - Permissible is less than 5,000 kg/quarter.

As a way of tracking the effectiveness of our air quality management actions, we collect samples for laboratory analysis for weekly, monthly and quarterly reporting. In addition, emission surveys are done externally. For the year under review, our actions were effective as all results met set targets, no permits revocation or suspension occurred and no penalties were incurred during the period.

Below are our emissions:

Significant Air Emissions	Unit	2022	2021	2020
NOx (Nitrogen Oxide	Kg	181.60	354.40	351.67
SOx (Sulphur oxide)	Kg	106	158.47	80.50

Emission surveys are carried out quarterly as per S.I. 72:2009. An estimate per each emission is the multiplication of reading for the quarter, by Flow Rate, by operational hours and mg to kg factor. Each gas has a permissible threshold of not more than 5,000 kg per quarter.

CLIMATE CHANGE

Climate change remains one of the greatest challenges of our time. The business significantly contributes to climate change. As such, BNC closely monitors local and global developments on improving climate change mitigation. The business prioritised energy efficiency and savings and tree planting as its contribution to climate change mitigation. BNC is planning to put in place climate change management policies in the year to March 2023.

Carbon Footprint

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

Scope 1: Direct Emissions

These are direct emissions from operations that are owned or controlled by BNC. Primarily, these are emissions from fuel consumed by generators and vehicles. Scope 1 refers to direct Greenhouse Gas (GHG) emissions. We applied emission factors obtained from the United Kingdom (UK) Government GHG Conversion Factors to convert liquid bio-fuel usage as presented below:

	Unit	2022	2021	2020
Diesel	kg CO2e (Litres)	2,972,853	1,949,344	1,196,779
Petrol	kg CO2e (Litres)	606,734	450,676	461,523
Total		3,579,587	2,400,021	1,658,302

Scope 2: Indirect Emissions

These are emissions from the consumption of energy generated and supplied by a third party over 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	2022	2021	2020
Electricity	kg CO2e (MWh)	72,829	67,891	65,991

BIODIVERSITY

BNC recognises the importance of biodiversity management and aims to minimise any impacts arising from our operations. Each development that affects biodiversity is bound by legal and other requirements. All major works proceed after an Environmental Impact Assessment (EIA) approved by the Environmental Management Agency (EMA), who issue a licence.

ZERO Harm is the BNC motto. The business has a SHE Policy in place which governs the management of biodiversity. The policy is supported by the BNC SHE Manual, procedures and work instructions. To manage biodiversity-related impacts, a review of the Aspect/Impact register is done each year or when need arises. Internal and external reviews are conducted through Third Party Audits and all deviations are corrected. During the year under review, an EIA was conducted as a requirement for the Kingston Hill Mineral Exploration Project.

Other actions which support biodiversity management include:
- Biannual legal audits.
- Quarterly review and implementation of the Environmental Management Programmes (EMP) which are put in place and reviewed quarterly.

As a result of these actions, all goals have been met because no complaints or litigations were encountered.

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

OCCUPATIONAL HEALTH AND SAFETY

Mining is an inherently risky activity that can involve ground instability, underground fires, failure of machinery, and human error that threaten the safety of employees and other stakeholders. BNC makes every effort to ensure that all risks are minimised by 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. BNC has been able to successfully manage its Occupational Health and Safety risks as proven by the achievement of 3.1 million fatality free shifts since 15 June 2015. The business did not record any occupational related illness.

The management of Occupational Health and Safety at BNC is guided by the ISO Standards and SHEMS (Safety Health and Environmental Management System). The SHEMS system is derived from the ISO Standards (Environmental management systems ISO 14001:2015 and Occupational health and safety management systems ISO 45001:2018 to which BNC is certified to. The systems provide direction on Hazard Identification and Risk Assessment, Accident Investigation and Employee Training, among others.

OHS TRAINING

We conduct campaigns and carry out awareness programmes for all employees on SHE related issues throughout our operations. Training on occupational health and safety is key to all employees joining the Company. This is the reason behind having safety induction training conducted at BNC upon commencement of work, for every new employee. The training process involving safety and health awareness and campaigns is done on a weekly, monthly or quarterly basis, depending on the training schedule. Departmental safety meetings are also held to remind the entire workforce of safety requirements and expectations.

HAZARD IDENTIFICATION RISK ASSESSMENT (HIRA)

The identification of work-related hazards involves the completion of a pre-task risk assessment before any work commences. This allows employees to identify and document OHS related risks and hazards associated with each task and to then ascertain measures to mitigate them. Hazards associated with non-routine tasks and new equipment are identified through an Issue Based Risk Assessment (IBRA) completed by supervisors and heads of departments. A permit system is used for all non-routine tasks.

Reporting Work Related Hazards

The SHE Department has an open-door policy for everyone to report unsafe working conditions within the Company, thus allowing for the identification of risks that could lead to high impact incidents. The business provides suggestion boxes across the Company to enable easier reporting of hazards. The approaches allow for new perspectives, active participation, which gives a voice to the general workforce.

Incident Investigation

When an incident occurs, a committee comprising of SHE representatives and supervisors from related departments establishes the root causes of the incident, guided by a 5-WHY analysis for Level I incidents. The HOD establishes the root causes using Tripod Methodology for Levels II and III incidents. If need be, the HOD involves independent investigation teams within seventy-two hours to enhance findings as per the BNC code of practice on incident and accident investigation.

Occupational Health and Safety Management System

The organisation has been ISO certified since 2005. Since 2016, the organisation attained certification on ISO 45001 (2018) which remains current.

The system runs across the value chain as illustrated below:

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

All employees, stakeholders and visitors are covered by Occupational Health and Safety (OHS) systems through training, induction and awareness campaigns.

OCCUPATIONAL HEALTH AND SAFETY CONT'D

OCCUPATIONAL HEALTH SERVICES

BNC, through the Safety, Health and Environment (SHE) Department and a functional outsourced clinic, contribute to the identification and elimination of hazards and minimisation of occupational risks. The clinic provides primary health and medical care for BNC employees and their dependents. The clinic allows for HIV and AIDS testing, counselling and ART facility. It also has a running COVID-19 vaccination programme. The clinic offers a 24-hour service, hence employees can visit after work and be assisted.

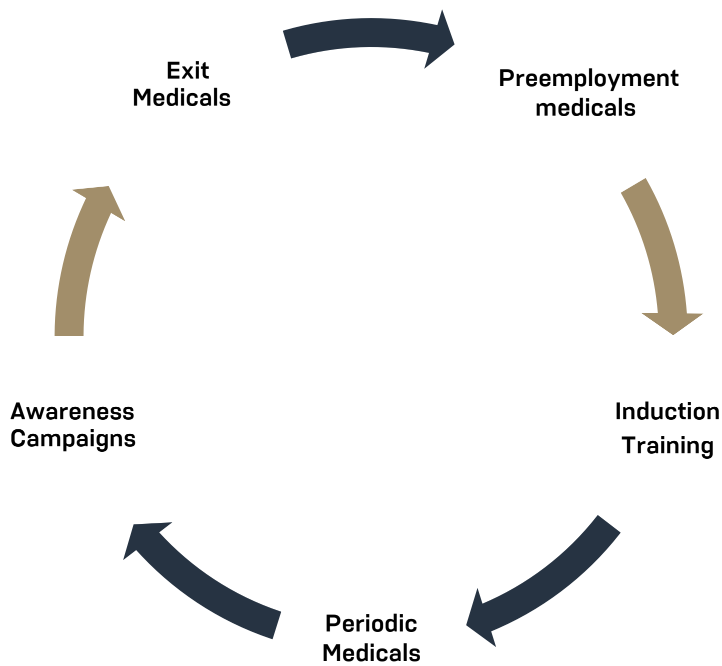
Promotion of Employee Health

BNC contributes to employees' health through:

- Wellness Days, which used to be held once per year. This has been suspended due to the advent of the COVID-19 virus.
- Company contribution to Medical Aid Schemes on behalf of employees.
- Assistance for those employees infected by COVID-19 related illnesses from the time they test positive until they are discharged from quarantine or self-isolation.
- The Company improved the local clinic, equipped the facility to efficiently deal with major non-work-related health risks like COVID-19 and any other pandemics. In such cases, the clinic liaises with the Ministry of Health and Child Care, should any risks of that nature occur.

Management of Safety Risks from Business Relationships

We follow a strict process in managing safety risks in our relationships with various stakeholders such as contractors and suppliers working within our operations. We require all third-party employees to undergo medical tests before, during and after any engagement. This is coupled with induction training and awareness campaigns.



OCCUPATIONAL
HEALTH AND SAFETY CONT'D

Safety Performance for the Year:

Employee Work-related Injuries	Unit	2022	2021	2020
Lost Time Injury Frequency Rate	Rate	0.6	1.60	0.90
Recordable work-related injuries	Count	4	8	7

Main types of Injuries	Work related hazards	Determination Method
Compound fracture of the right thumb. Multiple fractures on the bones encasing the eyes and cheeks. Traumatic amputation of the right-hand pointing fingertip.	•Fall of ground (FOG). •Electrical safety. •Dust exposure. •Heights. •Lifting loads.	SIMRAC risk profiling.

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 by establishing a fire-fighting team and continuous engagements with the Zimbabwe Electricity Supply Authority (ZESA) on any fire-related incidences. In the event of a mine collapse or flooding, we have a Proto Team for rescue and recovery. The business 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. We reviewed our emergency preparedness plans.

EMPLOYEES

Our employees are a critical component for our success, 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. Our goal is to promote a stable industrial relations climate on the mine and aim to continuously review conditions of service.

HUMAN RESOURCES MANAGEMENT

Management continued to liaise with employees through monthly Works Council meetings. This contributed to cordial and transparent relations with our employees. The weekly meetings of the Operations Committee (OPCOM) were held throughout the year. The industrial relations atmosphere remained calm during the year, due to the continued proactive and constructive engagement with employees on all pertinent issues.

Employment issues are managed through the Recruitment and Selection Policy, Company Car Loan Scheme Policy, Housing Allocation Policy and Cell Phone Policy. We are committed to attract and retain requisite skills, for the attainment of the Company's objectives and to continue to retain employees by providing other benefits besides salary.

Employee Engagement

The business developed a consultative process for communicating significant operational changes to employees and their representatives. This is important to help in keeping employees well informed of operational issues occurring at the mine, thereby reducing conflict and speculative tendencies between employees and management. The Company keeps an open communication system with employees through Works Council meetings, liaison meetings and employee engagement surveys. An atmosphere of trust that has been created for employees, which has gone a long way in enabling positive relations and engagement. Engagement with employees has enabled the identification of key issues affecting them.

Salary Review and Employment of Locals

The business conducted a salary survey to gain insight on the remuneration practices in other companies in the mining industry. We also implemented the Car Loan Scheme Policy in an effort to retain critical skills. A salary review for A3 to C6 employees was also implemented in June 2021 to cushion employees from the prevailing economic conditions. At BNC, we prefer to recruit local residents and this has helped reduce unemployment in the community that the Company operates in. We have a remuneration policy which permits payment of a portion of salaries in foreign currency. This approach has reduced erosion of earnings thereby enabling employees to maintain their quality of life. We also ensure continuous review of conditions of service to motivate employees.

Collective Bargaining

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 mining industry trade union of their choice. As of 31 March 2022, 88% of employees were covered by collective bargaining agreements. During the year, we used environmental scanning, employee engagement surveys and best practices to further assess how we could improve the working conditions of employees.

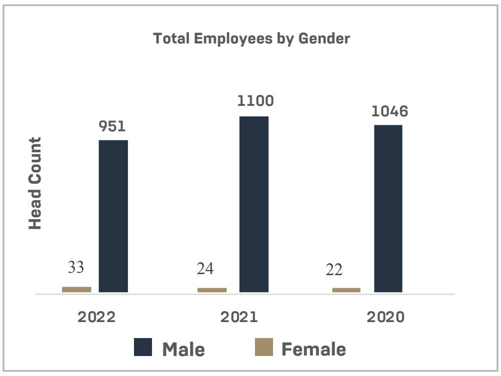
Human Resources Management Goals

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

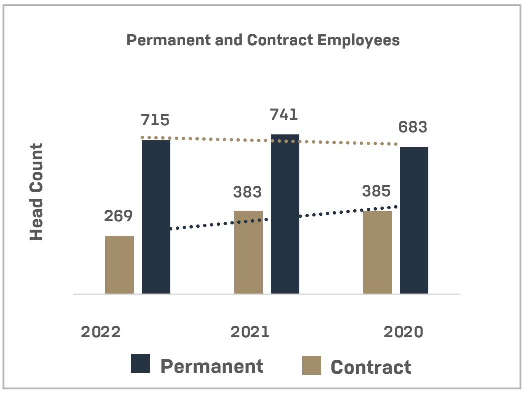
EMPLOYEES CONT'D

The Company's industrial relations climate remained stable and managed to retain most of its critical staff. Through the Works Council and employee engagement survey, we managed to identify the topical issues amongst employees, including topics such as sexual harassment which led to the formulation of the Sexual Harassment Policy. Engagement with employees has directed management efforts towards the real issues and this aided efforts to ensure continuous improvement of conditions of service

Employees by Gender

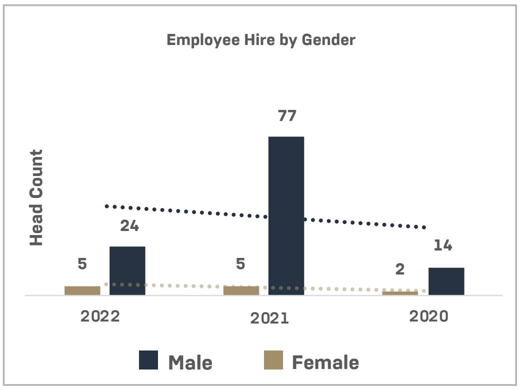


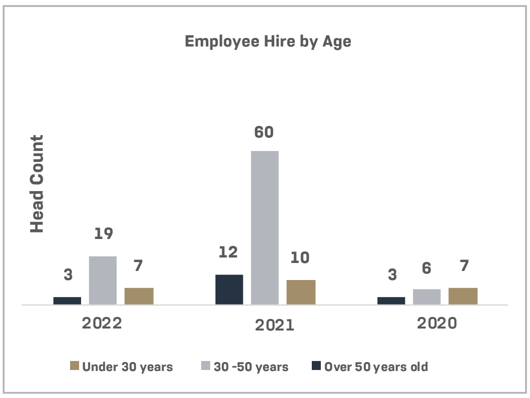
Permanent and Contract Employees



Employees	2022	2021	2020
Male	693	721	670
Female	22	20	13
Total Permanent	**715**	**741**	**683**
Male	259	349	376
Female	10	8	9
Toatal Contracts	**269**	**383**	**385**

Employee Hire

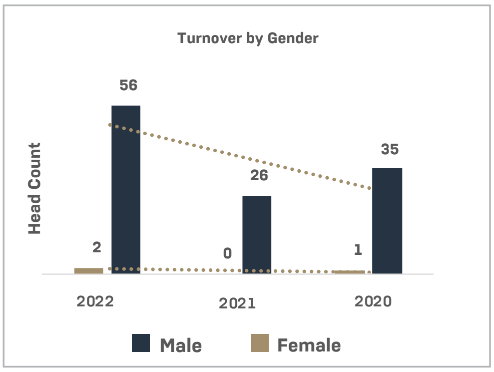


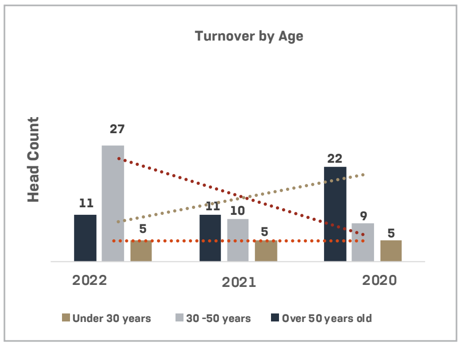


EMPLOYEES CONT'D

Recruitment was undertaken to fill vacant positions. The total number of fixed term contract employees increased due to recruitment of those who were working on the 43/0L waste pass.

Employees by Gender





Employee turnover was inclusive of resignations, normal retirements, contract terminations and retirements on medical grounds. All contract terminations were necessitated by poor performance as management enforces a high-performance culture. The total number of employees was reduced due to the termination of fixed term contract employees working in (a) Housing Maintenance; (b) Human Resources and (c) Shangani Care and Maintenance.

Diversity and Inclusion

Diversity and equal opportunity are important for both the Company and employees. They increase BNC's recruitment pool as all individuals are considered during recruitment, regardless of gender, race, ethnicity and religion. They also increase employment opportunities for all. However, there are some negative impacts such as sexual harassment which are becoming topical because of the need to recruit both genders. Also, there is a potential failure to meet religious needs of all employees. For instance, there may be complaints by employees from the Muslim community who may be unable to get Halaal meals from the staff canteen. The Company may also be unable to accommodate individuals with special non-working days.

Managing Diversity and Inclusion

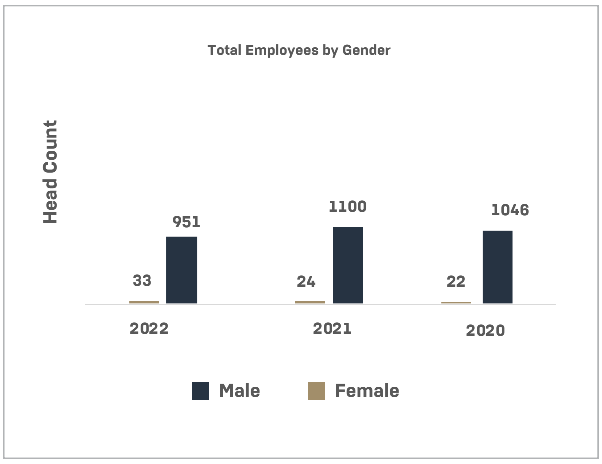
Our Recruitment and Selection Policy was developed in accordance with the requirements of the Labour law which promotes fair recruitment practices. The business does not tolerate any form of discrimination based on race, gender or religion. We recruit employees based on merit, regardless of gender, ethnicity, race or religion. The Human Resources Executive is responsible for ensuring that these values are followed. The business is committed to increasing the number of female employees from the current 3% to at least 10% by the year 2027.

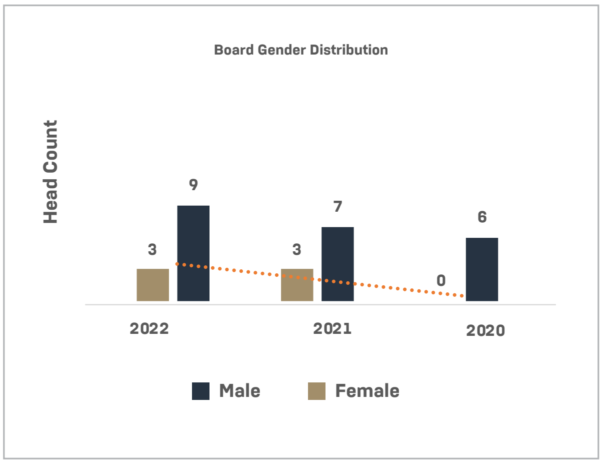
Managing and Promoting Diversity at Work

Efforts are underway towards implementing the Sexual Harassment Policy and educating employees on the topic. There has been a deliberate management decision to recruit female employees and a Lady's Committee was formed to address the needs of women in the workplace. A Muslims Committee was tasked to ensure that the canteen provides Halaal certified meat. In addition, BNC supports the empowerment of women to enable them to participate in all company processes. Our goal is to ensure equal employment opportunities for all.

EMPLOYEES CONT'D

Managing and Promoting Diversity at Work (continued)





As of March 2022, female employees increased by 27% and in relation to the total employees the females complement now stands at 3.4% of employee head count.

Training and Education

Employee training and development is a key requirement for our business to upgrade employee skills to ensure alignment of performance with business objectives. This is often triggered by new technology and new equipment. Our operations create training opportunities for interns, apprentices and graduate trainees. This has been 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. The Company ensures that every employee is provided necessary training with regard to the requirements of their job. Employees who receive training must have long term contracts to serve the organisation so that training costs and benefits of training are realised by the Company. This training is tailor made to safeguard employee health and safety during and after work and also towards environmental protection to ensure minimum damage to the environment and its surroundings. There are management and supervisory training courses which are geared towards managing the efficiency of doing business.

BNC tracks the effectiveness of training and education actions by checking employee commitment, satisfaction, retention targets, monthly output targets and departmental targets through weekly reviews.

Training Objectives and Timelines

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

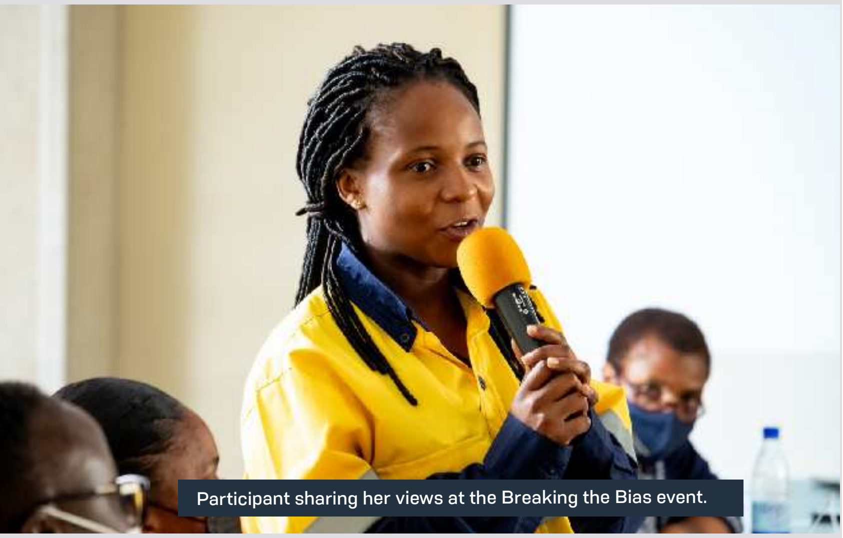
Attachees and Graduate Trainees	Unit	2022	2021	2020
Attachees	Count	40	11	85
Interns	Count	75	12	81
Graduate Trainees	Count	25	10	20

HUMAN RIGHTS

Upholding the individual rights of employees is a fundamental belief of BNC. 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 Policies. The business does not tolerate any form of harassment, discrimination or religious segregation. To foster the requirements of these policies, we provide training to all management and employees on human rights, which is also covered in employment contract provisions. We will continue to enhance training on human rights across the business.

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

BNC BREAKING THE **GENDER BIAS**



Participant sharing her views at the Breaking the Bias event.

BNC female employees demostrating the Breaking the Bias symbol in line with the 2022 theme of the National Women's Day.

BREAKING THE **BIAS**

"The Breaking the Bias event brought together women across all levels at BNC to discuss and make recommendations to management on the issues and plight that a girl child has to contend with in a male dominated mining environment."

Gender inequality is a complex phenomenon that can be found in organisational structures, processes and practices. For women, some of the most harmful gender inequalities are enacted within human resources (HRs) practices, where women are not afforded the same opportunities and rewards as there male counterparts regardless of their capabilities. According to a report by Ernst and Young (October 2015), titled "Women: The next emerging market", the advancement of women in the workplace not only improves economic growth, prosperity and stronger communities, but can have a positive effect on profit margins if women take up leadership roles such as board and executive.

Bindura Nickel Corporation Limited is committed to creating opportunities for women at all levels across the Company. With a target of increasing the ratio of women to 10% of head count by 2027, BNC aims to lead the push for creating opportunities for women in mining through interventions in the Company's recruitment and selection policies as well as creating platforms for women to purposefully engage in a manner that highlights the many issues women face in the workplace.

BNC BREAKING THE **GENDER BIAS**

Mrs A Sikhosana, the Marketing Executive and Patron of the BNC Female Employees Forum, giving a testimony to her female colleagues on her career path.

> “Bindura Nickel Corporation Limited is committed to creating opportunities for women at all levels across the Company. With a target of increasing the ratio of women to 10% of head count by 2027, BNC aims to lead the push for creating opportunities for women in mining through interventions in the Company's recruitment and selection policies as well as creating platforms for women to purposefully engage in a manner that highlights the many issues women face in the workplace.”

As part of efforts towards breaking gender bias, an all inclusive event for women at BNC was held in April 2022. The Breaking the Bias event brought together women across all levels at BNC to discuss and make recommendations to management on the issues and plight that a girl child has to contend with in a male dominated mining environment.

While the push to break gender bias is an ongoing process, the women's conference created a heightened awareness and appreciation of women and culminated in the passing of fundamental resolutions relating to the welfare of women at BNC.

SECURITY

Security is an important aspect of our business as it helps us to protect assets and employees. The Company insources security services from third parties. The Company recognises accountability for the impacts that our security personnel can create. Security personnel in the mining industry are often associated with human rights violations from excessive use of force. The security industry in Zimbabwe is often also mostly associated with low pay or less than minimum wage salaries. At BNC, we are committed to managing these aspects and other security related issues.

MANAGING SECURITY RISKS

It is our goal to secure management and employees as well as assets of the Company and to minimize losses throughout the business value chain. We target to detect and prevent thefts and recover stolen company assets. We assess our performance using the number of thefts and criminal activities detected, and the value of company assets recovered. BNC has appointed a Security Manager and supports security by availing human and material resources. We have a Code of Ethics to guide security guards on how to behave on-site. We conduct human rights training and ensure that firearms are only handled by trained security guards. We report all cases of theft to the police and support police during investigations. We are committed to paying security contractors according to signed contracts and we support security operations through providing financial and material resources where necessary.

The Company ensures that security deployments are needs-based and that all critical posts are manned all the time. We installed surveillance cameras to help monitor and detect criminal activity. Access to sensitive areas of the Company's assets is restricted to authorised persons. There is clear signage around the Company premises informing the community of the areas where there is restricted access. In addition, there are clear security procedures for visitors and stakeholders who may want to visit the Company premises to make business transactions. An Incident Reporting and Investigation Code of Practice has also been put in place. Daily deployments are supervised and Security Control makes hourly checks on deployed personnel. Our proactive security measures also include the submission of daily security reports to Control. The identification of threats to security is an ongoing process. We have tight monitoring and supervision of security personnel. We conduct quarterly security risk assessments, security audits and surveys. There is constant tracking and recording of the number of security breaches, to enable us to assess the performance of security contractors.

Our actions towards security management are proving to be effective as demonstrated by the limited incidences of theft and pilferages within the Company. There seems to be a strong awareness amongst employees that they are being watched and they cannot steal or commit pilferages without being identified, apprehended and prosecuted. Strong security arrangements are ensuring that there are no cases of company assets being stolen.

Our security systems are gender sensitive in that females should be searched by female security personnel, with the same concept being applied to men. As a result, security contractors have been requested to deploy female security guards on-site. Security must observe and uphold human rights as they conduct their duties. Site instructions for all posts emphasise the need to remain professional and ethical in dealing with all stakeholders of the Company. Sustainability also requires that the Company hires local security services providers. Engagement with stakeholders is contributing immensely to the smooth implementation of security programmes. It is also helping to ensure the cooperation of all stakeholders with security personnel in carrying out their duties.

Security controls.

COVID-19 RESPONSE

COVID-19 brought forth negative impacts which necessitated an improvement of our emergency preparedness and response planning. BNC now ensures that there is continued scanning of the environment for health risks and disease outbreaks, identifying significant risks to the business and implementing control measures.

We continue to enforce COVID-19 protocols stipulated by WHO and the Ministry of Health and Child Care. A COVID-19 Quarantine Centre is in place and the operation meets all medical costs for infected/ill employees. We also have a COVID-19 Code of Practice in place. We ensure that every employee is provided with COVID-19 washable masks and sanitisers. All areas are disinfected weekly, with all contacts screened. Visitors, contractors, supporting government departments and communities are provided with COVID-19 preventive equipment. The Company continues to provide awareness training to employees, dependents, residents and the community at large. Medical support is also provided to the ill.

TRACKING COVID-19 CASES AND VACCINATIONS

The business has a COVID-19 Report which is updated and circulated daily. This report gives updates on the number of people who were tested and the test outcomes. It also highlights the COVID-19 vaccines administered on a daily basis. We aim to have Zero COVID-19 related deaths, hence we ensure that all employees follow COVID-19 regulations and protocols. Throughout the year, we ensured that all mine employees were vaccinated and that mine visitors produce valid PCR test results. From these actions, BNC achieved 100% immunisation status of all employees which resulted in a significant reduction of active cases, with all employees adhering to COVID-19 regulations.

COVID-19 Management Statistics

Indicator	Unit	2022	2021	2020
Number of Rapid Antigen tests Conducted	Count	6,278	3,299	-
Positive cases	Count	330	219	-
Negative Cases	Count	5,948	3,080	-
Deaths due to COVID-19	Count	1	6	-
Vaccinations (First, Second and Booster dose Total)	Count	6,271	-	-

In the year under review, a dentist attached to the Trojan Mine Clinic passed away due to COVID-19 related complications. In the prior year, there were six COVID-19 related deaths, made of two employees and four members of the BNC local community.

Rapid Antigen tests increased almost two-fold from FY2021 to FY2022 due to the upsurge in the COVID-19 pandemic. A concerted effort on awareness to educate the employees and community members on the effects of the virus, resulted in an increase in the COVID-19 tests that were carried out. Furthermore, the provision of more vaccines from the Kuvimba Mining House Private Sector Initiative and support from the Ministry of Health and Child Care, also resulted in the test numbers increasing.

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

COMMUNITY RESPONSIBILITY

Community development is a significant objective for BNC, helping the Company to extend 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. This 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.

The business identified positive impacts of operations on local communities which include improved human development, poverty alleviation, economic growth, gross capital formation and local industry backward linkage.

MANAGEMENT APPROACH

We have a SHE Policy which aims at enabling the Company to operate without prejudice to the environment and local community. We also have a CSR Policy which plays a visible role in developing health, education and empowering the host community. We are committed to Zero Harm (People and Environment), Wellness and Sustainable Development.

To prevent negative impacts the business established the following:

Safety and Health Management System (SHEMS)	**Identifies Baseline Risks and Impacts. Has programmes to remove hazards/aspect or mitigate Risks and Impacts. Operational Control Framework.**
Environmental Impact Assessments (EIA) and Environmental Management Plan (EMP)	**Focus on Environmental and Social Impacts Management Plan.**
ISO certification of Management Systems including SHEMS	**Synchronizing with Best Practice. Evaluation & Monitoring.**
Development and Implementation of CSR Policy	**Stakeholder identification. Identify Socio-Economic Risk. Needs and Expectation Programmes. Public Participation.**
Mine Closure Plan	**Focus on Environmental and Social Rehabilitation.**

COMMUNITY RESPONSIBILITY CONT'D

Theme	Purpose of Investing in the Theme	Items Donated	Beneficiaries	Amount/ Value ($)
Education	Strengthening access to education, school facilities and sport.	Construction of Innovation Hub, financial assistance and donation of laptops and TV sets.	Bindura University of Science Education. St. George's College.	25,598
Health	Sickle Cell Anaemia and COVID-19 support.	Financial Assistance Mobile Toilets Sanitisers Facemasks Hypochlorite Thermometers Vaccines and Antigen tests	Bindura Provincial Hospital. Bindura Administrator's office. Taruku Medical Centre.	21,112
National Events	Supporting National Youth Day celebrations, clean up campaigns and Youth Day visits.	Events planning and support. Fuel Donation of cash and medals to winning teams.	Trojan Village Community. Bindura Schools. Chipadze and Chipindura High Schools.	22,370
Sport	Promoting national sporting activities.	Financial support and affiliation fees.	Trojan Stars Football Club.	20,663
Infrastructure Repairs	Supporting local communities' road maintenance and waste management programmes.	Waste rock Waste bins Deformed bars.	Shashi Primary School. Central Mechanical Equipment Department (CMED). St Andrews Anglican Church. Zimbabwe Prisons and Correctional Services. Chiwaridzo Salvation Army Church. Chipadze High School. Bindura Municipality.	758
Total				**90,501**

OUR CSR
ACTIVITIES

The soccer tournament winner's trophy and cash prize being presented to the winning school team by the BNC Managing Director on the National Youth Day Celebrations.

A Marimba musical group from one of the local schools performing at the National Youth Day Celebrations held at Trojan Nickel Mine Stadium.

The Company rendered refuse collection support to local communities.

BNC made presentations on mining industry career opportunities, for the benefit of high school students from Mashonaland Central Province, who attended the Annual Career Guidance event held at one of the high schools.

OUR CSR ACTIVITIES

SUSTAINABLE MINING, SUSTAINABLE INVESTMENTS & SUSTAINABLE COMMUNITIES

“As BNC our CSR aim is to help the organization achieve a balance between profitable operations and ethical practices.

BNC Corporate Social Responsibility is premised on the following pillars:

- Education
- Health and Safety
- Social Service donations
- Support to other stakeholders and small enterprises”

Donations to ZRP Bindura included COVID-19 essentials, stationery, bicycles and furniture.

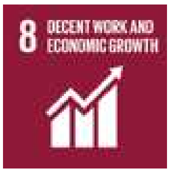
Donation of sanitary pads to one of the local high schools, in support of the girl child.

SUSTAINABLE
DEVELOPMENT

The United Nations supported Sustainable Development Goals (SDGs) are ambitions set for improving the wellbeing of present and future generations. 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 Company 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 the below mentioned sustainable development goals as follows:

The business, through its CSR initiatives contributed towards SDG 1. During the year, BNC invested $90,500 towards CSR activities meant to improve the well-being of the local community.



By providing safe working conditions while upholding basic universal human rights and contributing to the economy through payment of taxes and support to local suppliers. We enabled decent work and economic growth. More information about this is available on the section about employees and economic value impacts. In 2022, we recruited 32 employees and paid over $7 million in taxes.

Our efforts to diversify and manage our energy sources creates opportunities for lowering energy cost for our business. BNC plans to source a portion of its power from a solar project that an Independent Power Producer (IPP) is developing on a Company property.

Our water management enables us to reduce our impacts on water extracted from the Mazowe River.

ECONOMIC VALUE IMPACTS

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 $70 million. This value is distributed across various stakeholders such as suppliers, shareholders and local communities thereby promoting economic growth. At current Nickel prices, the company has potential to generate $100 million per year in foreign currency into the economy. The Company has potential to fully beneficiate its products by resuscitating part of the value chain, for instance, the smelter. By adding the smelter onto the current value chain, BNC can directly create an additional 300 jobs.

DIRECT ECONOMIC VALUE GENERATED AND KEY DISTRIBUTIONS

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. We always seek to obtain relatively more rewarding markets for our Nickel in concentrate. We seek to maximise production and at the same time continuously scan the environment so that we will be able to quickly respond to challenges. We have however realised that a cost leadership strategy is needed to respond to increased operational costs because of exogenous factors.

The Company has several mechanisms to evaluate the effectiveness of management actions on economic performance and these include:

- 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 the Balanced Score Card as a tool to assess the performance of its management.
- Benchmarking with other mines and organisations with similar operations.
- Stakeholder feedback to evaluate the ability of BNC to meet their expectations.
- Enhancing corporate governance tools such as an internal and external audit.

Our goals include:

- To produce above 6,500t 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.
- To increase profitability to more than $20 million per year by 2023.

We target to generate revenue of above $80 million per year and to reduce all in sustaining costs to less than $10, 000/t of Nickel produced during FY2023. To track if we are meeting our targets, we mainly use costs incurred per tonne, tonnes milled per month/year and Nickel produced per month/year as our key performance indicators.

We have learnt that the operating environment is very dynamic and therefore it requires us to keep on updating our operational policies and procedures. Also, the regulating environment is constantly changing and that situation calls for continuous review of operational systems for both compliance and effectiveness purposes. Engagement with stakeholders assists the Company with relevant information needed to make the Company more relevant in the community.

Economic Value Generated and Distributed

Direct economic value generated and distributed is presented on pages 106 to 113.

Defined Contribution Pension Plans

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

Pension Scheme		2022	2021	2020
% of Employees on a Pension Scheme		98%	88%	84%
National Social Security Authority (NSSA)		295,328	168,122	162,738
Mining Industry Pension Fund (MIPF)		823,558	644,638	608,871
TOTAL		1,118,886	812,760	771,609

Company contributions to pension funds increased in line with increased basic salaries and the number of employees on pension.

ECONOMIC
VALUE IMPACTS CONT'D

TAX

The Company is committed to complying with all applicable tax laws in Zimbabwe. The Company 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.

Management of Tax Issues

The Company maintains internal competence in corporate and transactional taxes to ensure tax returns are properly prepared and filed. Tax guidance and advice is obtained from external tax advisors. The tax strategy is included in the Company's operational procedure manuals and the Finance Director is responsible for compliance with the tax strategy. Our main goal is to minimise losses because of non- compliances, targeting zero penalties and our indicator being the number of penalties levied during the year. The Company uses health checks and audits for tracking process effectiveness, which are periodically conducted to evaluate compliance to tax legislation and the effectiveness of systems put in place by management. These tax health checks and audits provide the Company with insight into areas which can be improved on relating to compliance with tax legislation and the effectiveness of controls put in place by management.

Tax Risks

Potential tax risks are identified from areas of non-compliance relating to tax 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. There are reporting mechanisms where employees can report instance of lawful and unlawful behaviour to their immediate supervisors, who in turn report to top management.

Reporting Unlawful Behaviour

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

Engagement of Tax Authorities

The Company engages tax authorities on tax areas which are uncertain to be provided with advance ruling if possible. The tax authorities are also engaged to disclose areas of non-compliance to tax legislation. The Company mainly advocates changes to tax through the Chamber of Mines of Zimbabwe and the Ministry of Mines and Mining Development.

Tax Payments:

PURPOSE	Unit	2022	2021	2020
Net Value Added Tax (VAT) payments	$	4,148,670	1,929,794	1,042,438
Import duty	$	2,310,815	2,121,010	1,627,381
PAYE	$	4,299,041	3,769,762	3,351,730
Withholding Tax	$	1,074,887	582,529	76,293
AIDS Levy	$	128,971	113,093	100,552
Royalties	$	1,376,441	1,156,536	1,035,859
Corporate Tax	$	-	2,539,390	-
Grand Total	**$**	**13,338,825**	**12,121,114**	**7,234,253**

Total tax payments during the year increased by 10% compared to the previous year. Net VAT payments increased during the year as ZIMRA took longer to process VAT refunds. PAYE increased in line with the increase in wages following review to align with the rest of the mining industry. Withholding taxes increased in line with the increase in foreign service contract payments during the year. Royalty payments increased during the year due to increased revenue driven by high Nickel prices.

ECONOMIC VALUE IMPACTS CONT'D

SUPPLY CHAIN MANAGEMENT AND PROCUREMENT PRACTICES

Procurement processes at BNC ensure that we source quality goods at competitive prices. We seek to ensure that our procurement practices facilitate achievement of strategic goals while generating socio-economic impacts. We have collaborative relationships with our suppliers that are strengthened through supplier engagements, involvement and development. This is realised through supplier visits and assessments which enable us to identify supplier constraints, consider social responsibility opportunities and negotiate prices and terms.

Supplier Screening Commitments

To manage the supply chain risks from our suppliers, we seek to ensure that each supplier contract and relationship:

- Enhances value for money through fair, non-discriminatory and competitive procurement;
- Promotes the use of local resources without compromising value for money;
- Makes decisions with transparency and accountability in line with the established processes;
- Appropriately manages and mitigates associated business risks; and
- Ensures compliance with relevant legislation.

We have a defined procedure in the Procurement policy, with the objective to identify, reduce or eliminate operational risks to property, and reputation to minimise and contain the costs and consequences in the event of harmful or damaging incidents arising from those risks and to receive or provide adequate and timely compensation, restoration and recovery. The management of supply chain risks prioritises procurement from the local community where it is competitive to do so, procuring environmentally friendly process consumables. We always want to partner with suppliers who follow best practices in environmental management particularly in handling and managing oil and other products that have a negative impact on the environment.

To manage these negative impacts by ensuring that the Procurement Department identifies risks associated with (in executing its operations):

- the supplier selection and management,
- source of goods,
- the value of goods,
- method of transportation,
- method of payment,
- insurance cover,
- transfer of ownership of goods and services,
- product certification,
- government policies,
- toxic operation and waste, and
- physical factors such as availability and quality of materials and the state of a particular technology.

We also conduct inspections of all inbound materials, supplier site inspections and supplier evaluations. The procurement department, through stores the management section, plans for containment, compensation, restoration and disaster recovery in the event that a business disruption occurs. We conduct departmental assessments, internal and external audits to track the effectiveness of these actions and we can report that the progress made is 95% effective. From all these actions, we learnt that having spares on-site and buy local help minimise production disruptions. All of these have been considered for inclusion in the Procurement Policy.

ECONOMIC
VALUE IMPACTS CONT'D

Suppliers Screened Using Environmental Criteria	Unit	2022	2021
Suppliers screened	Count	2	-
Suppliers not screened	Count	-	-

The operation is currently not screening all suppliers using environmental criteria except for used oil dealers who should meet the contractor management policy requirements.

Procurement Practices
Our procurement practices ensure that our business supports local suppliers. BNC supports local co-operatives formed by former employees, including women, by procuring some of their goods and services. We also adhere to the Procurement Policy which creates an environment where compliance with best procurement practices and legislation is achieved. This, in turn, benefits BNC through an effective and efficient procurement process. However, there are some negative impacts which go in line with supporting local suppliers, such as uncompetitive prices and sub-standard goods and services being offered by the local business community.

Management of Procurement
We conduct stakeholder engagement and participation on a quarterly basis, to review prices and quality. For all local suppliers, we also check competitiveness, adherence to statutory requirements and adherence to quality goods and services. As a way of tracing our process for the source, origin, or production conditions of raw materials and production inputs purchased, if applicable, we ensure that all products are marked with country and location of origin. We also conduct supplier site visits, monthly assessments and confirmation of supplies through Original Equipment Manufacturers. Our goal is to increase the local procurement of goods and services.

Number of suppliers

Suppliers	Unit	2022	2021	2020
Domestic suppliers and sub-contractors	Count	190	170	189
Foreign Suppliers and sub-contractors	Count	11	7	14
Total Suppliers and sub-contractors	**Count**	**201**	**177**	**203**

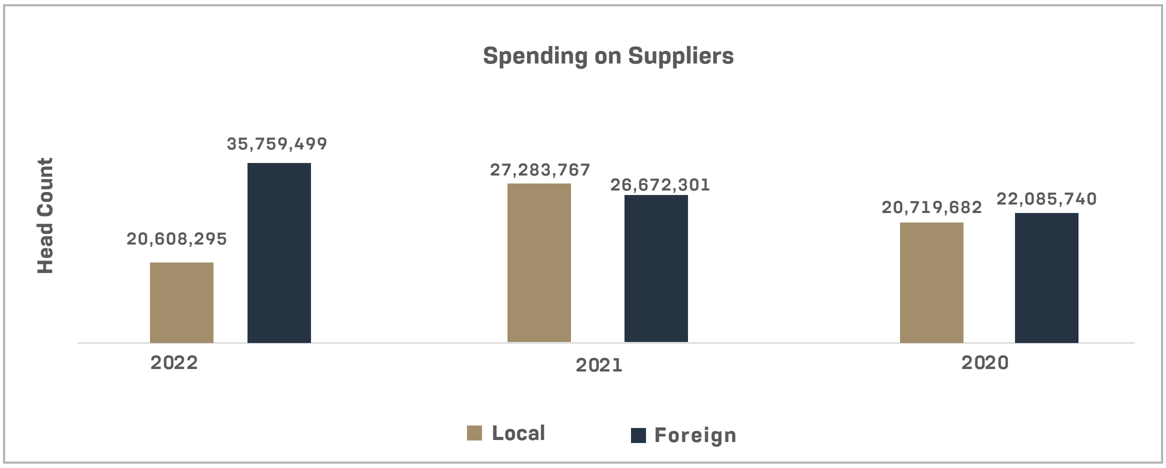
ECONOMIC VALUE IMPACTS CONT'D

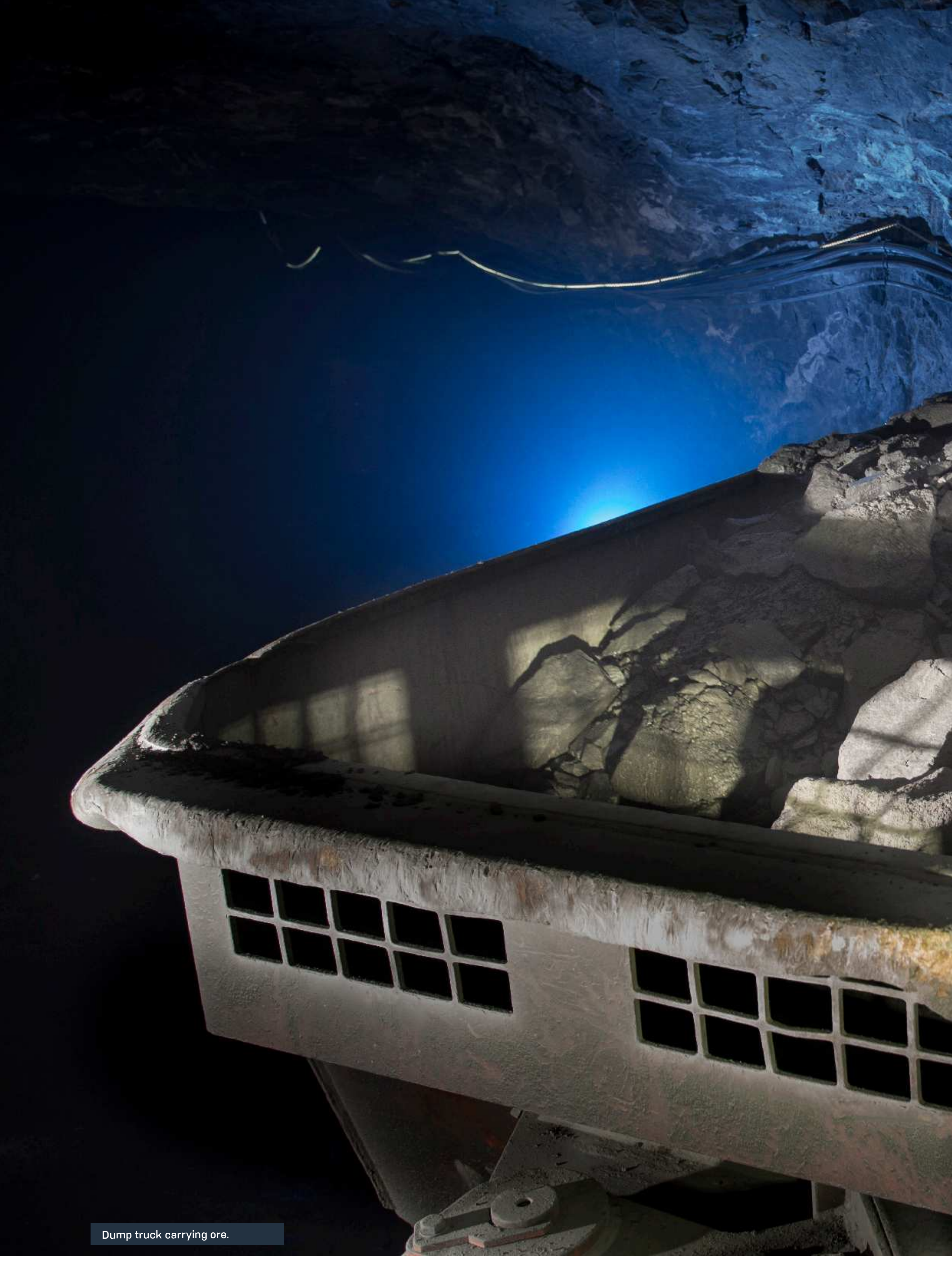
The increase in suppliers was due to spreading number of suppliers instead of relying on current ones. The procurement of spares and components were being done through local agent suppliers and original manufacturers. As such, the inclusion of Original Equipment Manufacturer (OEMs) in the database increased the number of suppliers.

Spending on suppliers

Suppliers	Unit	2022	2021	2020
Spending on local suppliers and sub-contractors	$	35,759,499	26,672,301	22,085,740
Spending on foreign suppliers and sub-contractors	$	20,608,295	27,283,767	20,719,682
Total Procurement Spend	**$**	**56,367,794**	**53,956,068**	**42,805,422**

The increase in procurement expenditure by $2,411,726 in 2022 compared to 2021 was due to the restocking of spares for the old mining mobile equipment in the second and third quarter of the year.




Dump truck carrying ore.

11

FINANCIAL REPORTS

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 2022.

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

Issued share capital
The issued share capital of the Company was increased from 1 272 732 638 ordinary shares of $0.000010307 each to 1 289 228 393 ordinary shares of $0.000010307 each during the period.

	31 March 2022 $	31 March 2021 $
Issued and fully paid	13 289	13 119
Non-distributable reserves		
Share premium	32 345 476	32 339 248
Total non-distributable reserves	32 345 476	32 339 248
Other reserves		
Share based payment reserve	-	2 478 023
Capital contribution	2 631 877	2 631 877
Distributable reserves		
The movement in distributable reserves is as follows:		
As of 1 April	14 488 079	12 739 781
Profit for the year attributable to ordinary shareholders	8 062 245	1 748 298
Transfer from share based payment reserve	2 577 997	-
As at 31 March	25 128 321	14 488 079

Subsidiary companies operations
Trojan Nickel Mine Limited is operating its Smelter and Refinery and Shangani Mine divisions of the company remain on care and maintenance

DIRECTORS' REPORT (Cont'd)

Property, plant and equipment
Capital expenditure for the year amounted to $6 470 413 (2021: $8 873 904).

Group results

	31 March 2022 $	31 March 2021 $
Profit before taxation	11 004 808	3 056 109
Taxation	(2 942 563)	(1 307 811)
Profit for the year	8 062 245	1 748 298

Dividend
No dividend was declared for the year.

The Directors of the Company as at 31 March 2022 were as follows:

Name	Position	
M A Masunda*	Chairman	
T Lusiyano	Managing Director	
P Maseva-Shayawabaya	Finance Director	
M J Bronn	Non-Executive Director	(Appointed 01 October 2021)
D H Brown	Non-Executive Director	(Died on 19 June 2022)
O Chimuka	Non-Executive Director	
S Chinyemba	Non-Executive Director	(Appointed 21 March 2022)
C C Jinya*	Non-Executive Director	
C D Malaba*	Non-Executive Director	
C G Meerholz	Non-Executive Director	
R Nhamo*	Non-Executive Director	
I Rukweza	Non-Executive Director	(Appointed 21 March 2022)

*Independent Non-Executive Directors

Auditors
Ernst & Young were reappointed as the Auditor during the year ended 31 March 2022 and will hold office until the conclusion of the Annual General Meeting at which shareholders will be requested to fix their remuneration for the past audit. In addition, shareholders will be requested to approve their re-appointment for the coming year.

By order of the Board
Bindura Nickel Corporation Limited

C F MUKANGANGA
COMPANY SECRETARY
23 June 2022

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors are responsible for the maintenance of proper accounting records and the preparation, integrity and fair presentation of the financial statements of Bindura Nickel Corporation Limited (the "Group"). The financial statements presented on pages 106 to 149 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Zimbabwe Companies Act (Chapter 24:03) and include amounts based on judgements and estimates made by management.

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

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

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

The financial statements have been audited by an independent firm, Ernst & Young Chartered Accountants (Zimbabwe) who have been given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board and committees of the Board. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. Ernst & Young audit report is presented on page 101 to 105.

These 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

P MASEVA-SHAYAWABAYA
FINANCE DIRECTOR

EY
Building a better working world

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

Tel: +263 24 2750905-14 or 2750979-83
Fax: +263 24 2750707 or 2773842
Email: admin@zw.ey.com
www.ey.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BINDURA NICKEL CORPORATION LIMITED

Report on the Audit of the Group and Company Financial Statements

Qualified Opinion on Group and 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 106 to 149, which comprise the group and company statements of financial position as at 31 March 2022, and the group and company statements of profit or loss and other comprehensive income, the group and company statements of changes in equity and the group and company statements 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying group and company financial statements present fairly, in all material respects, the financial position of the Group and Company as at 31 March 2022, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion on Group and 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

Exchange rates used in prior year

As explained in Note 2 to the 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. Our audit opinion on the Group and Company financial statements for the period ended 31 March 2021 was therefore modified accordingly.

As no restatements have been made to correct the prior year misstatements in terms of IAS 8, the following corresponding numbers remain impacted:

Group Profit or Loss and Other Comprehensive Income:

All amounts except for revenue and finance costs.

Independent Auditor's Report (Continued)

Bindura Nickel Corporation Limited

Group Statement of Financial Position:

- Inventory
- Income Tax Prepayment
- Deferred Taxation
- Retained Earnings

Company Statement of Financial Position:

- Retained earnings

Our opinion on the current period's Group and Company financial statements is therefore modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

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 group and company in accordance with the International 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 qualified opinion on the group and company financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matter(s) described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	How our audit addressed the matter
Impairment of Non-Financial Assets	
► We have identified the following factors which give rise to risk of impairment of BNC as a cash generating unit;	• We assessed management's process for the determination of key inputs into the impairment assessment and assess the accounting policy and whether this complies with IFRS.

Independent Auditor's Report (Continued)

Bindura Nickel Corporation Limited

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the matter</th></tr>
<tr><td colspan="2">Impairment of Non-Financial Assets</td></tr>
<tr><td>Given the volatility of nickel prices there is a risk that Trojan Nickel Mine's recoverable amount over the life of the mine might be lower than the carrying value of assets.
The Smelter refurbishment project has remained at 83% complete over the few years.

There is a risk that the smelter assets' recoverable amount may be lower than it's carrying value given the absence of cash generating activity pending completion and commissioning of the smelter.
In addition, the electricity tariffs remain very high which could affect the cash flows that can be generated.
The Hunter's Road Project has some capitalized assets and development costs which need to be assessed for impairment given that there have been no active plans to further develop this resource.
Determining the appropriate discount rate in such a distorted market requires application of significant judgement.</td><td>We reviewed reasonableness of management's key assumptions in the impairment assessments for each CGU.
We involved our valuations team to assist us in assessing the reasonableness of the discount rate applied in the impairment models We involved our valuations team to assist in assessing the reasonableness of the fair value as determined for the Smelter CGU since the DCF model is not appropriate.</td></tr>
</table>

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 Qualified Opinion section above, the Group and Company did not comply with the requirements of IAS 21 – Effects of Changes in Foreign Exchange Rates in prior year and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. We have concluded that the other information is materially misstated for the same reasons.

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 levhel 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

Harare

30 June 2022

GROUP STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 $	2021 $
Revenue	5	74 209 630	59 169 461
Cost of sales		(51 419 892)	(44 873 096)
Gross Profit		22 789 738	14 296 365
Other income	5.1	211 294	139 483
Profit of disposal of treasury bills		-	550 000
Selling and distribution expenses		(2 295 380)	(1 769 598)
Administrative expenses		(7 911 659)	(7 497 830
Net exchange loss		(848 428)	(2 426 663)
Exchange gains		3 471 239	19 204 506
Exchange losses		(4 319 667)	(21 631 169)
Profit from operating activities	6	11 945 565	3 291 757
Net finance costs	7	(940 757)	(235 648)
Finance income based on EIR		12 641	132
Finance costs		(953 398)	(235 780)
Profit before taxation		11 004 808	3 056 109
Taxation	8	(2 942 563)	(1 307 811)
Profit for the year		8 062 245	1 748 298
Profit and total comprehensive income for the period		8 062 245	1 748 298
Basic earnings per ordinary share (cents)	9	0.631	0.139
Diluted earnings per ordinary share (cents)	9	0.619	0.133

GROUP STATEMENT OF **FINANCIAL POSITION**

AS AT 31 MARCH 2022

	Notes	2022 $	2021 $
ASSETS			
Non-current assets			
Property, plant and equipment	10	86 073 427	80 071 425
Loans	11	125 100	-
		86 198 527	80 071 425
Current assets			
Inventories	12	14 671 960	9 553 707
Trade and other receivables	13	19 240 767	9 150 750
Cash and short-term deposits	14	226 750	1 937 098
		34 139 477	20 641 555
Total assets		**120 338 004**	**100 712 980**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	13 289	13 119
Share premium		32 345 476	32 339 248
Capital Contribution		2 631 877	2 631 877
Retained earnings		25 128 321	14 488 079
Share-based payment reserve	22	-	2 478 023
		60 118 963	51 950 346
Non-current liabilities			
Environmental rehabilitation provision	17	13 901 936	9 936 830
Deferred taxation	18	19 450 434	20 270 935
Lease liability	19	50 486	11 757
Interest bearing borrowing	16	1 073 568	-
		34 476 424	30 219 522
Current liabilities			
Trade and other payables	20	21 276 687	18 506 347
Provisions	21	12 654	35 822
Interest bearing borrowings	16	3 115 138	-
Lease liability	19	22 486	943
Income tax payable		1 315 652	-
		25 742 617	18 543 112
Total equity and liabilities		**120 338 004**	**100 712 980**

T LUSIYANO
MANAGING DIRECTOR
23 June 2022

P MASEVA-SHAYAWABAYA
FINANCE DIRECTOR
23 June 2022

GROUP STATEMENT OF
CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital $	Share premium $	capital contribution $	Share-based payment reserve $	Retained earning $	Total $
Balances as at 1 April 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**
Issue of shares		170	6 228	-	-	-	6 398
Share-based payment expense		-	-	-	99 974	-	99 974
Transfer to retained earnings	**23**				(2 577 997)	2 577 997	-
Total comprehensive income for the year Total profit and other comprehensive income for the year attributable to ordinary shareholders		-	-	-	-	8 062 245	8 062 245
Balances as at 31 March 2022		**13 289**	**32 345 476**	**2 631 877**	**-**	**25 128 321**	**60 118 963**

GROUP STATEMENT
OF CASH FLOWS

AS AT 31 MARCH 2022

	Notes	2022 $	*RESTATED 2021 $
Cash flows from operating activities			
Profit before tax		11 004 808	3 056 109
Adjusted for:			
Net finance costs		940 757	235 648
Depreciation of property, plant and equipment		4 407 823	4 662 924
Net unrealised exchange loss		546 933	2 047 702
Share-based payments expense		99 974	339 668
Profit on disposal of investment		-	(550 000)
Expected credit losses		55 058	4 228
Provision for obsolete inventory		474 728	105 402
Related party receivables written off		-	126 184
Increase in provisions		-	13 495
Operating cash flow before working capital changes		17 530 081	10 041 360
(Increase)/Decrease in inventories		(5 592 981)	661 572
Increase in trade and other receivables		(12 577 164)	(1 173 592)
Increase in trade and other payables		1 963 588	836 636
Net cash flows from operations		1 323 524	10 365 976
Returns on investments, taxation and servicing of finance			
Interest received		12 641	132
Interest paid		(851 949)	(192 052)
Taxation paid		-	(2 359 390)
Net cash out flows on investments, taxation and servicing of finance		(839 308)	(2 551 410)
Net cash flows from operating activities		**484 216**	**7 814 566**
Cash flows from investing activities			
Purchase of property, plant and equipment		(6 470 413)	(8 873 904)
Purchase of investment		-	(250 000)
Proceeds from disposal of investment		-	800 000
Staff loans issue		(151 920)	-
Net cash flows from investing activities		(6 622 333)	(8 323 904)
Net cash flows before financing activities		(6 138 117)	(509 338)
Cash flows from financing activities			
Issue of shares		6 398	11 592
Interest bearing loans repaid	16	(2 984 595)	(4 403 916)
Interest bearing borrowings received	16	5 633 294	5 122 131
Principal paid on lease liability	16	(15 482)	(16 667)
Net cash flows from financing activities		2 639 615	713 140
(Decrease)/increase in cash and cash equivalents		**(3 498 502)**	**203 802**
Net foreign exchange differences on cash and cash equivalents		248 147	(1 171 151)
Cash and cash equivalents at the beginning of the period		1 937 098	562 145
Cash and cash equivalents at the end of the period		**(1 313 257)**	**1 937 098**
Cash and cash equivalents represented by:			
Bank and cash balances		226 750	1 937 098
Bank overdraft		(1 540 007)	-
		(1 313 257)	**1 937 098**

*Refer to note 24

COMPANY STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	2022 $	2021 $
Administration costs	(279 972)	(93 754)
Loss before taxation	(279 972)	(93 754)
Taxation	-	-
Total loss and other comprehensive income for the year attributable to ordinary shareholders	**(279 972)**	**(93 754)**

COMPANY STATEMENT
OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 $	2021 $
ASSETS			
Non-current assets			
Investments in subsidiary companies	22	34 880 931	34 780 957
Amounts due from subsidiary companies	22.1	1 093 880	1 367 454
Total assets		**35 974 811**	**36 148 411**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15.2	13 289	13 119
Share premium		32 345 476	32 339 248
Retained earnings		3 616 046	1 318 021
Share-based payment reserve	23	-	2 478 023
		35 974 811	36 148 411
Total equity and liabilities		**35 974 811**	**36 148 411**

T LUSIYANO
MANAGING DIRECTOR
23 June 2022

P MASEVA-SHAYAWABAYA
FINANCE DIRECTOR
23 June 2022

COMPANY STATEMENT
OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital $	Share premium $	Share-based payment reserve $	Retained earning $	Total $
Balances as at 1 April 2020		**12 896**	**32 327 879**	**2 138 355**	**1 411 775**	**35 890 905**
Issue of shares	15.3	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	15	**13 119**	**32 339 248**	**2 478 023**	**1 318 021**	**36 148 411**
Issue of shares	15.3	170	6 228	-	-	6 398
Share-based payment expense		-	-	99 974	-	99 974
Transfer to retained earnings				(2 577 997)	2 577 997	-
Total comprehensive income for the year						
Loss and other comprehensive income for the year attributable to ordinary shareholders		-	-	-	(279 972)	(279 972)
Balances as at 31 March 2022	14	**13 289**	**32 345 476**	**-**	**3 616 046**	**35 974 811**

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	2022 $	2021 $
Cash flows from operating activities		
Loss from operations	(279 972)	(93 754)
Operating cash flows before working capital changes	(279 972)	(93 754)
Decrease in amounts due from subsidiary companies	273 574	82 162
Net cash flows from operations	(6 398)	(11 592)
Cash flows from investing activities		
Cash flows from financing activities		
Proceeds from issue of shares	6 398	11 592
Net cash flows from financing activities	6 398	11 592
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	-	-

1. INCORPORATION AND ACTIVITIES

Bindura Nickel Corporation Limited (the "Group") is a limited liability company incorporated in Zimbabwe and is listed on the Victoria Falls Stock Exchange (VFEX). 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 consolidated financial statements of the Group as at and for the year ended 31 March 2022 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 ($), which is the Group's functional currency, rounded to the nearest dollar unless otherwise stated.

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, the Companies (Financial Statements) Regulations, 1996, and the Victoria Falls Stock Exchange Listing Requirements "except for the prior year where the group did not comply with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IAS21 The Effects of Changes in Foreign Exchange Rates".

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

SUMMARY OF SIGNIFICANT **ACCOUNTING POLICIES** (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS (continued)

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

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

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

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

Property, plant and equipment (note 10); including:
Assets' useful lives and depreciation rates for property, plant and equipment and mineral interests
Depreciation, depletion and amortisation rates are calculated on a straight-line basis based on the estimated assets' useful lives. Should the assets' useful lives differ from the initial estimate, an adjustment would be made. The assets' useful lives are estimated based on the shorter of the life of the mine and the useful life of the specific component of the asset. The Group utilises independent asset valuators or internal experts to determine the residual value of property, plant and equipment assets, and any material movement in the residual value is accounted for as a change in estimate in terms of IAS 8.

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

Deferred tax asset (note 18)
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 12)
The assumptions used in the valuation of work-in-progress and finished goods inventories include estimates of nickel contained in the concentrates produced, recovery percentage and the estimation of the nickel price expected to be realised when the nickel is recovered. Inventories are valued at lower of cost or net realisable value in accordance with IAS 2 with inventory write-downs being expensed in the period of occurrence.

SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS (continued)

Rehabilitation provisions (note 17)
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 21)
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 31)
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 25)
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.

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 ZW Dollar as a currency in Zimbabwe alongside the basket of existing currencies, businesses faced the prospect of a change in their functional currency to ZW dollars. The Group concluded that its functional currency is the United States Dollar($) for the period ending 31 March 2022.

In coming up with the functional currency the Group considered 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 $).
- 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 $ 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% in $ and 32% in ZW$.
- the currency in which receipts from operating activities are usually retained. (The majority of receipts from operating activities are retained in $ and where payments are required in ZW$, the funds will be liquidated at auction rates to settle local transactions).

SUMMARY OF SIGNIFICANT **ACCOUNTING POLICIES** (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS (continued)

The Group is an exporter earning all 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 ($) 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 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has all of the following:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

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

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

Property, plant and equipment

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)
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 2022 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.

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.

SUMMARY OF SIGNIFICANT **ACCOUNTING POLICIES** (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 (Pvt) Limited. Funds received and payments are handled by Trojan Nickel Mine on behalf of BNC. Trojan Nickel Mine 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.

SUMMARY OF SIGNIFICANT **ACCOUNTING POLICIES** (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets (continued)
Impairment of financial assets (continued)

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 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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.

SUMMARY OF SIGNIFICANT **ACCOUNTING POLICIES** (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Export incentive is recognised when the Group's right to receive the export incentive has been established. Interest income is accrued on a time basis by reference to the principal outstanding applying the effective interest rate.

Leases
All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less.

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

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.

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

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

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

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

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

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

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

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

Overall impact
The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Overall impact
The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

Overall impact
The amendments are not expected to have a material impact on the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

Overall impact
The amendments are not expected to have a material impact on the Group.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16
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 was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.

The amendment applies to annual reporting periods beginning on or after 1 April 2021.

Overall impact
The Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

NOTES TO THE
FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 MARCH 2022

5.	REVENUE	2022 tonnage	2021 tonnage	2022 $	2021 $
	Nickel	-	-		
	Nickel in concentrates	4 720	5 496	68 822 054	57 825 721
	Revenue from contract with customers			**68 822 054**	**57 825 721**
	Provisional pricing adjustment				
	Fair value gain/(loss) on Fair Value adjustment (Trade Receivables)			5 387 576	1 343 740
	Fair value gains			5 849 985	1 930 018
	Fair value losses			(462 409)	(586 278)
	Total			**74 209 630**	**59 169 461**

Revenue from one major customer of the Group represents $74 209 630 (2021: $59 169 461) of the Group's total revenue.

5.1	Other income	2022 $	2021 $
	Sale of scrap	211 294	139 483
		211 294	**139 483**

Scrap sales relates to sale of redundant materials.

6.	PROFIT FROM OPERATING ACTIVITIES	2022 $	2021 $
	Profit from operating activities is arrived at after taking into account the following:		
	Auditors' remuneration	110 000	110 000
	Depreciation of property, plant and equipment (note 10.2)	4 407 823	4 662 924
	Environmental rehabilitation asset depreciation (note 10.2)	116 260	195 828
	Net Foreign exchange loss	1 194 611	2 446 462
	Remuneration of Directors	244 500	184 977
	Staff costs	18 649 261	15 672 173

Included in administration costs are costs relating to care and maintenance for Shangani Mine amounting to $284 423(2021: $374 311).

Selling and distribution expenses include royalties and Minerals Marketing Corporation of Zimbabwe (MMCZ) commission.

Net foreign exchange loss arose mainly due to the depreciation of the Zimbabwe dollar (ZW$) during the year resulting in the company incurring losses on bank balances held in the local currency and Value Added Tax (VAT) refundable in ZW$. These losses were somewhat offset by exchange gains from payables.

Unwinding discount on the rehabilitation provision is no longer disclosed under profit from operating activities as it already disclosed under Finance expenses in Note 7.

NOTES TO THE **FINANCIAL STATEMENTS** (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

		2022 $	2021 $
7.	**NET FINANCE INCOME/ (COSTS)**		
	Finance income		
	Interest received	12 641	132
		12 641	132
	Interest received comprise interest received from deposits held with financial institutions.		
	Finance expenses		
	Interest expense on other interest bearing borrowings	(843 178)	(192 153)
	Unwinding discount on rehabilitation provision	(101 449)	(37 359)
	Interest on lease liability	(8 771)	(6 268)
		(953 398)	(235 780)
	Net finance costs	**(940 757)**	**(235 648)**
8.	**INCOME TAX**		
	Current tax	3 763 064	1 015 975
	Deferred tax (note 18)	(820 501)	291 836
		2 942 563	**1 307 811**
	Reconciliation of tax charge		
	Profit before tax	11 004 808	3 056 109
	Notional tax based on current tax rates at 24.72% (2021: 24.72%)	2 720 389	755 470
	Additional taxation/ (taxation savings) resulting from:		
	- non-deductible expenses	479 213	688 334
	- exempts	(1 529 524)	(135 993)
	- income tax prepaid	1 272 485	-
		2 942 563	**1 307 811**

Non-deductible expenses include excess pension contributions, legal expenses, management fees disallowed, share-based payment expense and donations. Exempt items relates to interest income received from financial institutions, items charged tax at different tax rates and assets with a limit on the value of capital allowances to be claimed.

Prior year tax dispute
It was reported in the previous year that the Group 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 ZW$14 million ($1,272,485).

Following a recent ruling by the Supreme Court in Unki Mine (Pvt) Ltd vs ZIMRA, where it was established that consolidated financial statements cannot be used by a subsidiary in its income tax declaration, Management has decided to conclude the matter and withdraw the appeal in the Special Court of Income Tax Appeals. The Company had paid the disputed tax when the tax authorities dismissed its objection and whilst waiting for the Court's judgement, in accordance with tax law. Consequently, the prepaid amount of $1,272,485 has been recognised as an income tax expense in the income statement for the year.

NOTES TO THE
FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

8. 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.

	2022 $	2021 $
Profit attributable to ordinary shareholders (basic and diluted)		
Profit for the year attributable to owners of the Group	8 062 245	1 748 298
Headline earnings	8 062 245	1 748 298
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at 31 March	1 272 732 638	1 251 130 797
Effect of shares issued during the year	4 050 989	4 167 546
Weighted average number of shares – basic earnings per share	1 276 783 627	1 255 298 343
Effect of dilutive shares	25 067 274	58 838 270
Weighted average number of shares – diluted earnings per share	**1 301 850 901**	**1 314 136 613**
Basic earnings per ordinary share (cents)	0.631	0.139
Diluted earnings per ordinary share (cents)	0.619	0.133
Headline earnings per ordinary share (cents)*	0.631	0.139
Diluted headline earnings per ordinary share (cents)*	0.619	0.133

* Headline earnings per share was not disclosed in the prior year.

NOTES TO THE **FINANCIAL STATEMENTS** (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

10 PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings $	Smelter & refinery Plant & equipment $	Mining assets $	Capital Work in progress $	Total $
10.1 Cost/valuation					
At 1 April 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**
Additions	-	-	3 160 308	3 310 106	6 470 414
Transfer	788 648	-	5 070 575	(5 859 223)	-
Lease modification (note 10.7)	75 754	-	-	-	75 754
Change in Rehabilitation Asset (Note 10.6)	-	-	3 863 657	-	3 863 657
At 31 March 2022	**8 042 626**	**22 474 230**	**73 294 786**	**53 472 072**	**157 283 714**
10.2 Depreciation					
At 1 April 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**
Current year charge	311 489	384 141	3 595 933	-	4 523 733
Rehabilitation Asset (Note 10.6)		-	116 260	-	116 260
At 31 March 2022	**4 776 040**	**15 710 484**	**49 714 637**	**1 009 127**	**71 210 287**
10.3 Carrying amount					
At 31 March 2022	**3 266 586**	**6 763 746**	**23 580 150**	**52 462 945**	**86 073 427**
At 31 March 2021	**2 713 673**	**7 147 887**	**15 197 803**	**55 021 062**	**80 071 425**

10. PROPERTY, PLANT AND EQUIPMENT (continued)

10.4 Smelting assets with a gross carrying amount of $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 $6.8 million are idle and are being depreciated.

10.5 Items of property, plant and equipment with a gross carrying amount of $26.5 million are fully depreciated but are still in use. Borrowing from financial institutions are secured on Land and buildings with a carrying amount of $475,877 (2021: nil).

10.6 Rehabilitation asset	**2022 $**	**2021 $**
At 1 April	930 080	1 113 533
Change in estimate	3 863 657	(44 262)
Depreciation	(116 260)	(139 191)
At 31 March	4 677 477	930 080

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 17). 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	
	2022 $	**2021 $**
At 1 April	**44 992**	**57 263**
Modification	75 754	-
Depreciation	(32 930)	(12 271)
At 31 March	**87 816**	**44 992**

The Group has a lease contract for an office building used in its operations with a lease term of 5 years. The Group is restricted from subleasing the office building. There are no leases of 12 months or less and leases with a low value.

10.8 Management conducted a review of the carrying amount of the Group's property, plant and equipment in terms of the Group's accounting policy in order to assess if impairment of the carrying amount was necessary. The Group's projected cash flows discounted reflects that no impairment to the carrying amount is necessary in the current year. In determining the value in use for the purpose of assessing the impairment, the Group used the following assumptions:
-Discount Rate : 22.06%
-Nickel Prices : $20 305
-Life of Mine : 8 years

The recoverable amounts of cash generating units and individual assets are determined based on the higher of value in use computations and fair value less costs to dispose.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

11. LOANS

	2022 $	2021 $
Non-current portion	125 100	
Current portion	26 820	
	151 920	**-**

These represent amounts due from employees in respect of vehicle loans. The loans carry and interest of 10% per annum and are repayable monthly over 5 years. The current portion of $26 820 is included in trade and other receivables note 13.

12. INVENTORIES

	2022 $	2021 $
Nickel in concentrates	3 858 432	379 928
Consumables	11 393 658	9 279 181
Less: Provision for obsolete inventory	(580 130)	(105 402)
	14 671 960	**9 553 707**

The cost of inventories for the Group recognised as an expense and included in 'Cost of Sales' amount to $14.6 million (2021: $16.7 million).

In 2022, there was provision for obsolete inventory of $580 130 (2021: $105 402).

13. TRADE AND OTHER RECEIVABLES

	2022 $	2021 $
Trade receivables (not subject to provisional pricing)	4 839 172	756 651
Trade receivables (subject to provisional pricing)	3 760 015	377 667
Less: provision for expected credit losses	(59 286)	(4 228)
Trade receivables – net	8 539 901	1 130 090
Prepayments	5 324 765	4 500 580
Income tax prepayment	-	1 174 927
Value Added Tax	5 167 984	2 238 753
Other receivables	140 380	101 923
Related party receivables (note 26.3)	40 917	4 477
Loans (note 11)	26 820	-
	19 240 767	**9 150 750**

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 $59 286 (2021: $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 consist of sundry debtors. Included in prepayments is an amount of $nil (2021: $1,272,485) paid to the Zimbabwe Revenue Authority as a deposit in respect of the disputed tax liability.

NOTES TO THE
FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 MARCH 2022

13. TRADE AND OTHER RECEIVABLES (Continued)

During the current financial year, Value Added Tax has been disaggregated from other receivables to be presented separately within trade and other receivables resulting in $5 115 290 (2021: $2 238 753) being presented separately. This was done to show Value Added Tax separately since it is material. This change in presentation had no impact on profit or loss and trade and other receivables, and only affected the presentation of items within trade and other receivables.

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 2022, trade receivable had life time expected credit losses of $59 286 (2021: $4 228).Set out below is the movement in the allowance for expected credit losses of trade receivables:

	2022 $	2021 $
At 1 April	**4 228**	**-**
Provision for expected credit losses	55 058	4 228
At 31 March	**59 286**	**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 $5 387 576 (2021: $1 343 740) has been recognised in the profit or loss during the year as part of revenue.

	2022 $	2021 $
14. CASH AND CASH EQUIVALENTS		
Cash and short-term deposits	226 750	1 937 098
Bank overdraft (note 16.1)	(1 540 007)	-
	(1 313 257)	1 937 098
15. SHARE CAPITAL		
15.1 Authorised:		
3 000 000 000 ordinary shares at $0.000 010 307	30 921	30 921

15.2 Issued and fully paid:	2022 Shares	2021 Shares	2022 $	2021 $
At 1 April	1 272 732 638	1 251 130 797	13 119	12 896
Ordinary shares issued	16 495 755	21 601 841	170	223
At 31 March	1 289 228 393	1 272 732 638	13 289	13 119

NOTES TO THE **FINANCIAL STATEMENTS** (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

15. SHARE CAPITAL (continued)

15.3 During the year, employees exercised their rights to purchase shares as part of an employee share option scheme. 16,495,755 shares (2021:21,601,841 shares) were purchased at a nominal value of $0.000 010 307 at an average price of $0.0003 per share (2021: $0.0005)

15.4 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.

16. INTEREST BEARING LOANS & BORROWINGS	2022 $	2021 $
16.1 Non-current portion		
Loans from financial institutions (i)	1 073 568	-
16.1 Current portion		
Loans from financial institutions (i)	743 569	-
Freda Rebecca Holdings (Pvt) Ltd (ii)	831 562	-
Bank overdraft (iii)	1 540 007	-
	3 115 138	-

(i) Loans totalling $1,900,000 were secured and drawn from local financial institutions. One loan facility of $1,000,000 bears interest at a rate of 9.6% per annum and is repayable over 36 months, commencing March 2022. The other loan facility in the sum of $900,000 loan bears interest at a rate of 11% per annum and is repayable over 24 months, commencing February 2022.

(ii) The loan from Freda Rebecca Holdings (Pvt) Ltd is an emergency standby facility and bears interest at a rate of 9% per annum payable for any draw down not repaid within 90 days.

(iii) At year end, the Group had ZW$ bank overdraft facilities from local financial institutions equivalent to $2.5 million, of which $1,540,007 had been utilized. The facilities bear interest at a rate of 46.55% per annum and are renewable annually.

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

2022	1-Apr-21	Cash flows	Foreign currency changes	Interest	Modification	31-Mar-22
	$	$	$	$	$	$
Interest-bearing borrowings	-	2 648 699	-	-	-	2 648 699
Lease	12 700	(15 482)	-	-	75 754	72 972

2021	1-Apr-20	Cash flows	Foreign currency changes	Interest	Modification	31-Mar-21
	$	$	$	$	$	$
Interest-bearing borrowings	956 349	718 216	(1 678 953)	4 388	-	-
Lease	41 672	(16 667)	(12 305)	-	-	12 700

NOTES TO THE
FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 MARCH 2022

17. ENVIRONMENTAL REHABILITATION PROVISION	2022 $	2021 $
At 1 April	9 936 830	9 943 733
Unwinding of discount	101 449	37 359
Change in estimate recognised as part of asset (note 10.6)	3 863 657	(44 262)
At 31 March	13 901 936	9 936 830
Significant assumptions used in calculating the provision:		
Discount rate	3%	2%
Inflation rate	8%	3%
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 increase in the estimate is mainly due to a rise in inflation. Management believes that these estimates are reasonable. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future nickel prices, which are inherently uncertain.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

18. DEFERRED TAXATION

Analysis of deferred tax liability as at 31 March 2022

	Balance at 31 March 2021 $	Recognised in profit or loss $	Balance at 31 March 2022 $
Property, plant and Equipment	21 238 268	(1 117 189)	20 121 079
Exchange differences	(595 160)	299 852	(295 308)
Leave pay accrual	(372 173)	(3 164)	(375 337)
	20 270 935	(820 501)	19 450 434

Analysis of deferred tax liability as at 31 March 2021

	Balance at 31 March 2020 $	Recognised in profit or loss $	Balance at 31 March 2021 $
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

Deferred tax liabilities have been recognised in respect of taxable temporary differences amounting to $78 682 985 (2021: $82 002 164). As at year end, the Group had assessed tax losses amounting to $ nil (2021: nil).

NOTES TO THE
FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

19. LEASE LIABILITY

	Land and buildings	
	2022 $	2021 $
At 1 April	**12 700**	**41 672**
Additions	-	-
Interest expense	8 771	6 268
Foreign exchange movements	-	(12 305)
Lease modification	75 754	-
Payments	(24 253)	(22 935)
At 31 March	**72 972**	**12 700**
Non-current portion	50 486	11 757
Current portion	22 486	943
	72 972	**12 700**

Lease liability maturity analysis					
At 31 March 2021	**Up to 3 months**	**Between 3 and 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Balance**
Lease liabilities	7 356	22 068	29 424	19 616	78 464
At 31 March 2021					
Lease liabilities	1 312	3 935	5 246	7 870	18 363

20. TRADE AND OTHER PAYABLES

	2022 $	2021 $
Trade payables	11 050 963	9 954 519
Other payables	6 761 198	6 248 811
Employee payables	3 189 634	3 187 447
Marketing payables	265 263	65 016
Leave pay accrual	1 442 940	1 342 608
Retrenchment	811 974	811 974
Sundry payables	1 051 387	841 766
Related parties (note 27.4)	3 464 526	2 303 017
	21 276 687	18 506 347

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, director's fees and VAT withholding taxes. Employee payables are employee related liabilities and statutory deductions such as NEC, NSSA, medical aid and pensions.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

21. PROVISIONS

	Provisions at the beginning	Additional provisionS	Foreign Exchange	Amounts settled	Provisions at the end
2022					
Legal	35 822	-	(23 168)	-	12 654
	35 822	-	(23 168)	-	12 654
2021					
Legal	79 271	13 495	(56 944)	-	35 822
	79 271	13 495	(56 944)	-	35 822

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

22. INVESTMENTS IN SUBSIDIARY COMPANIES

	2022 $	2021 $
Trojan Nickel Mine Limited	34 880 246	34 780 272
BSR Limited	685	685
	34 880 931	34 780 957

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	2022 % holding	2021 % 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.

22.1 Amounts due from subsidiary companies

	2022 $	2021 $
Trojan Nickel Mine Limited	1 093 880	1 367 454
	1 093 880	1 367 454

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

23. 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.

	2022 Weighted average average Exercise price (ZW$ cents)	2022 Number	2021 Weighted average average Exercise price (ZW$ cents)	2021 Number
Outstanding at 1 April	**4.3**	**32 544 808**	**4.3**	**54 146 649**
Forfeited	4.3	(5 288 612)	4.3	-
Exercised during the year	4.3	(16 495 755)	4.3	(21 601 841)
Outstanding at 31 March	**4.3**	**10 760 441**	**4.3**	**32 544 808**

The total share-based payment expense during the year was $99 974 (2021: $339 668).

The weighted average exercise price of options exercised during the year ended 31 March 2022 was ZW$4.3 cents per share (2021: ZW$4.3 cents per share).

As at 31 March 2022, 10 760 441 (2021: 9 613 228) 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.

During the year, the share-based payment reserve amounting to $2 577 977 was transferred to retained earnings as all share options had vested.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

24. CHANGE IN PRESENTATION OF STATEMENT OF CASH FLOWS

The presentation of the statement of cash flows was changed during the year to align with IAS 7 which requires the starting point of the reconciliation of cash flows from operating activities in the statement of cash flows, prepared using the indirect method, to be profit or loss, either before or after tax. Under the subheading cash flows from operating activities, profit from operating activities of $3 291 757 was previously presented in the prior period. This has now been restated to profit before tax of $3 056 109, additionally, net finance costs of $235 648 have been presented in the comparative statement of cash flows under cash flows from operating activities. This change in presentation had no impact on operating cash flows before working capital changes and net cash flows from operations.

25. COMMITMENTS AND CONTINGENCIES

	2022 $	2021 $
Capital commitments		
Contracted	3 991 426	5 932 626
Authorised but not contracted	-	-
	3 991 426	5 932 626

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.

26. 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.

	2022 $	2021 $
Pension costs recognised in profit or loss:		
Mining Industry Pension Fund	823 558	644 638
National Social Security Authority	295 328	168 122
	1 118 886	812 760

NOTES TO THE
FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 MARCH 2022

27. 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.

27.1 Identification of related parties
The following is a list of related parties of the Company as at 31 March 2022:

Subsidiaries
Trojan Nickel Mine Limited
BSR Limited (currently dormant)

Key management personnel

Directors

Name	**Position**	
M A Masunda	Chairman	
T Lusiyano	Managing Director	
P Maseva-Shayawabaya	Finance Director	
M J Bronn	Non-Executive Director	(Appointed 01 October 2021)
D H Brown	Non-Executive Director	(Died on 19 June 2022)
O Chimuka	Non-Executive Director	
S Chinyemba	Non-Executive Director	(Appointed 21 March 2022)
C C Jinya	Non-Executive Director	
C D Malaba	Non-executive Director	
C G Meerholz	Non-Executive Director	
R Nhamo	Non-Executive Director	
I Rukweza	Non-Executive Director	(Appointed 21 March 2022)

Management

J Kasumba	Mineral Resources Manager
C F Mukanganga	Company Secretary
S Masvipe	Finance Manager
W Mchina	Laboratory Manager
I Marufu	Concentrator Manager
N Mugwadhi	Mine Planning Manager
R Mushati	Human Resources Executive
T Mutsambwa	Information Technology Manager
C Nkhoma	SHEQ and Metallurgical Projects Manager
C Ntuli	Acting Engineering Manager
A Nyirenda	Procurement Manager
A Sikhosana	Marketing Executive
P Tanda	Underground Manager
E Vere	Mine Manager

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

27. RELATED PARTY TRANSACTIONS (continued)

Key management personnel compensation	2022 $	2021 $
Short term employee benefits	2 256 182	1 914 123
Share-based payment expense	55 194	473 959
Post-employment pension benefits	130 956	121 914
Termination benefits	456 289	261 196
	2 898 621	**2 771 192**

List of related party entities

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

27.2 Transactions	2022 $	2021 $
Freda Rebecca Gold Mine Limited		
- production consumables purchased	(98 264)	(71 772)
- milling equipment purchased	(88 647)	(107 658)
Jena Mines (Private) Ltd		
- Scrap material sold	6 235	4 477
Gold Fields of Shamva (Private) Ltd		
- Scrap material sold	30 206	-
Bevco Management Services (Pvt) Ltd		
-management fees	984 058	1 549 890

27.3 Amounts owing from related parties

Name of company	Relationship	2022 $	2021 $
Jena Mines (Private) Limited	Common control	10 712	4 477
Gold Fields of Shamva (Private) Limited	Common control	30 205	-
		40 917	4 477

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.

27.4 Amounts owing to related parties

Name of company	Relationship	2022 $	2021 $
Kuvimba Mining House *	Holding company	802 140	617 647
Greenline Enterprise Limited*	Common control	2 502	2 502
Freda Rebecca Gold Mine Ltd*	Common control	555 133	307 978
Bevco Management Services*	Significant influence	2 104 7511	374 890
Freda Rebecca Holdings#	Common control	831 562	-
		4 296 088	2 303 017

*The related party balances are included in trade and other payables in the statement of financial position.
The related party balance is included in short-term borrowings.

28. 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).

29. TREASURY AND FINANCIAL RISK MANAGEMENT

29.1 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 ($), hence exposure to exchange rate fluctuations arises. The currency giving rise to the currency risks is primarily the South African Rand (ZAR) and the RTGS dollar (ZW$). 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 2022	Cash and bank	Payables	Loans	Net exposure
ZAR	66 102	(19 202 031)	-	(19 135 929)
ZW$	6 237 402	(161 550 337)	(219 333 442)	(374 646 377)
EUR	34 307	(3 269 824)	-	(3 235 517)

31 March 2021	Cash and bank	Payables	Loans	Net exposure
ZAR	1 149	(26 223 682)	-	(26 222 533)
ZW$	3 340 575	(9 417 975)	-	(6 077 400)
EUR	40 105	-	-	40 105

Sensitivity analysis
The after tax effects on profit or loss of the Group, of a 10% (2021: 10%) depreciation and appreciation in the United States dollar against the following currencies, to the cross exchange rates as at 31 March 2022, are reflected below.

	Exchange rate	Equity $	Profit or loss $
31 March 2022			
ZAR (Appreciation)	13.07	(146 164)	(146 164)
ZAR (Depreciation)	15.97	359 713	359 713
ZW$ (Appreciation)	128.18	(292 309)	(292 309)
ZW$ (Depreciation)	156.67	239 197	239 197
EUR (Appreciation)	1.004	(361 245)	(361 245)
EUR (Depreciation)	1.228	332 748	332 748
31 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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

29. TREASURY AND FINANCIAL RISK MANAGEMENT (continued)

29.2 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.

29.3 Commodity price risk

For the 2022 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 2022.

	2022 $'000'	2021 $'000'
Effect on equity and results:		
Effect on 10% decrease in nickel price on profit before tax	(7 420)	(5 917)
Effect on 10% increase in nickel price on profit before tax	7 420	5 917

29.4 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:

Carrying amount	**2022 $**	**2021 $**
Loans	151 920	-
Third party trade receivables	8 539 901	1 130 090
Group receivables	40 917	4 477
Other receivables	140 380	101 923
Cash and cash equivalents	226 750	1 937 098
Total Loans and receivables	9 099 868	3 173 588

The Other receivable 2021 figure has been changed from $2 340 676 previously presented to $101 923. The reason being VAT of $2 238 753 which is not a financial asset was included in the prior year figure.

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, most of the balance was current and was settled after year end.

29. TREASURY AND FINANCIAL RISK MANAGEMENT (continued)

29.5 Liquidity risk

To mitigate any liquidity risk that the Group may face, the Group's policy has been, throughout the year ended 31 March 2022, 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	Contractual cash flows	0-6 months	6 months 1 year	More than 1 year
31 March 2022					
Amounts owing to related parties	4 296 088	4 296 088	4 296 088	-	-
Trade payables	11 050 993	11 050 993	11 050 993	-	-
Other payables	6 761 168	6 761 168	6 761 168	-	-
Interest bearing borrowings	3 357 144	3 499 552	1 961 829	421 822	1 115 901
	25 465 393	**25 607 801**	**24 070 078**	**421 822**	**1 115 901**

Interest bearing borrowings is exclusive of $831 562 related party loan which is included within amounts owing to related parties.

	Carrying amount	Contractual cash flows	0-6 months	6 months 1 year	More than 1 year
31 March 2021					
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	-	-	-	-	-
	18 506 346	**18 506 346**	**18 506 346**	**-**	**-**

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 2022 (2021: nil).

29.6 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 2022

29. TREASURY AND FINANCIAL RISK MANAGEMENT (continued)

29.6 Capital management (continued)

	2022 $	2021 $
Gearing		
Interest bearing borrowings	4 188 706	-
Accounts payable and accrued liabilities	22 677 965	18 554 869
Less cash and short-term deposits	(226 750)	(1 937 098)
Net debt	**26 639 921**	**16 617 771**
Equity	60 118 963	51 950 346
Capital and net debt	**86 758 884**	**68 568 117**
Gearing ratio	**31%**	**24%**
Profit after tax	8 062 245	1 748 298
Equity	60 118 963	51 950 346
Return on capital (Equity)	**13%**	**3.4 %**

Accounts payable and accrued liabilities includes provisions balance.

30. 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.

31/03/2022	Level 1	Level 2	Level 3
Trade receivables subject to provisional pricing		3 760 015	
31/03/2021			
Trade receivables subject to provisional pricing		377 667	

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.

30. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

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

Type of financial instrument	31/03/2022	31/03/2021	Valuation technique	Significant inputs
Trade receivables (subject to provisional pricing)	3 760 015	377 667	DCF	Estimated future commodity prices. Quantities and final assays.

31. 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 2022 amounting to $11.0 million (2021: $3.1 million), and while at that date its current assets exceeded current liabilities by $8.4 million (2021: $2.1 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, average LME nickel prices rose by 25% to an average price of $20 600 per tonne compared to $16 460 per tonne in the year to March 2021. 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 assessing the future cash flows of the Group, average Nickel prices have been assumed as follows: $19 725 per tonne for the period April 2022 to March 2023, $20 305 per tonne from April 2023. These projections have been taken from a consensus forecast compiled by market analysts.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2022

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

- The COVID-19 pandemic which was originally reported in March 2020 has continued to impact world trade with various COVID-19 variant virus mutations emerging in the 2022 financial year. Travel bans and country lockdowns have eased due to massive vaccination roll out worldwide. The extent of the impact of COVID-19 on the company's operational and financial performance is still unknown, and will be dependent on certain developments, including the duration and spread of the outbreak and impact on the economy, employees, customers, suppliers, all of which are uncertain at this time.

The company has continued to implement measures to manage the risk to its people and business including limiting international business travel, self-quarantine of people displaying flu-like symptoms and comprehensive hygiene awareness campaigns. It is the Directors' view that the disruptions caused by COVID-19 will not significantly affect operations.

The Directors have concluded that the Group will continue operating in future as a going concern.

32. EVENTS AFTER THE REPORTING DATE

32.1 Approval of financial statements

The financial statements were approved by the board of directors on 23 June 2022

TOP 20
SHAREHOLDERS

Rank	Account Name	Shares	% of Total
1	KUVIMBA MINING HOUSE (PVT) LTD	926,610,403	71.87
2	QUANT AFRICA WEALTH MANAGEMENT (PVT) LTD	88,666,680	6.88
3	STANBIC NOMINEES (PVT) LTD	45,939,490	3.56
4	MELLOFIELDDE CHEMICALS (PVT) LTD	45,155,867	3.5
5	MEGA MARKET (PVT) LTD	15,279,230	1.19
6	ROOPUN SURENDR	9,099,300	0.71
7	ABC ASSET MANAGEMENT (PVT) LTD	8,545,337	0.66
8	ENGINEERING AND ELECTRICAL SUPPLIES	8,475,864	0.66
9	PUBLIC SERVICE COMMISS PF-ABC	8,148,583	0.63
10	NSSA STAFF PENSION FUND - ABC	7,687,907	0.6
11	SUNCOLD INVESTMENTS (PVT) LTD	5,370,943	0.42
12	KANYONGANISE PAUL	3,672,400	0.28
13	MMCZ STAFF PENSION FUND - ABC	3,265,742	0.25
14	STANBIC NOMINEES (PVT) LTD - NNR.	3,147,869	0.24
15	SECURICO SERVICES	3,083,368	0.24
16	NYARADZO LIFE ASSURANCE COMP	2,936,522	0.23
17	NICAL (PVT) LTD	2,625,334	0.2
18	PSMAS PENSION FUND-ABC	2,553,589	0.2
19	TN ASSET MANAGEMENT NOMINEES	2,411,246	0.19
20	PIM NOMINEES (PVT) LTD	2,293,646	0.18
	Total	1,194,969,320	92.69
	Other Shareholders	94,259,073	7.31
	TOTAL NUMBER OF SHARES AFTER ALLOTMENTS	1,289,228,393	100.00

NOTICE TO **SHAREHOLDERS**

NOTICE IS HEREBY GIVEN THAT the 56th Annual General Meeting ("AGM") of Members of Bindura Nickel Corporation Limited (the "Company") will be held virtually on Thursday 25 August 2022 at 9am, for the purpose of transacting the following business:

ORDINARY BUSINESS

1. Virtual AGM
To note and approve the convening of the 56th 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 2022.

3. Directorate

3.1 To re-elect the following Directors who retire by rotation in terms of Article 100 of the Company's Articles of Association (the "Articles") and, being eligible, offer themselves for re-election in terms of Article 101 of the Articles.

- Mr. Obey Chimuka
- Mr. Craig Gerald Meerholz

3.2 To re-elect the following Directors who, having been appointed during the financial year 2022, are required to retire in accordance with Article 87 of the Articles and, being eligible, offer themselves for re-election in terms of Article 101 of the Articles.

- Mr. Michiel Jakobus Bronn
- Mr. Simbarashe Chinyemba
- Mr. Innocent Rukweza

3.3 The profiles of the Directors seeking re-election are provided fully in the Annual Report from pages 38 to 40.

3.4 To fix the remuneration of the Directors for the year ended 31 March 2022. 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 seventh 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 (48) hours before the time for holding the meeting.

BY ORDER OF THE BOARD

Mukanganga

C F MUKANGANGA
COMPANY SECRETARY
1 August 2022

FORM OF
PROXY 2022

For use at the 56th Annual General Meeting ("AGM") of Bindura Nickel Corporation Limited ("the Company") to be held virtually on Thursday 25 August 2022 at 0900 hrs.

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

	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 2022.			
3. Re-election of Mr. Obey Chimuka.			
4. Re-election of Mr. Craig Gerald Meerholz.			
5. Re-election of Mr. Michiel Jakobus Bronn.			
6. Re-election of Mr. Simbarashe Chinyemba.			
7. Re-election of Mr. Innocent Rukweza.			
8. To fix the remuneration of Directors for the year ended 31 March 2022.			
9. To re-appoint Ernst & Young Chartered Accountants (Zimbabwe) for the ensuing year.			
10. To fix the remuneration of the Auditors for the past audit.			

Full Name____

Signature____

Dated this________________of ________________2022

FORM OF **PROXY 2022**

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 (2) 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 forty-eight (48) hours before the time appointed for holding the meeting.

   Transfer Secretaries
   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

CORPORATE
INFORMATION

REGISTRATION NUMBER
552/66

REGISTERED AND CORPORATE OFFICES

Bindura Nickel Corporation Limited
No 1 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

Gill, Godlonton and Gerrans Legal Practitioners
7th Floor, Beverley Court,
100 Nelson Mandela Avenue
Harare
Zimbabwe

Mawere Sibanda Commercial Lawyers
10th Floor, Chiedza House, Corner First Street/
Kwame 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
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 Walter Hill Avenue
Eastlea, Harare

SHARE PRICE INFORMATION AS AT 31 MARCH 2022

Exchange:	Victoria Falls Stock Exchange ("VFEX")
Shares in issue:	1,289,228,393
Shares price:	$0.05
Market capitalization:	$64,461,420

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	154			
	102-4 Location of operations	8			
	102-5 Ownership and legal form	9, 114			
	102-6 Markets served	11			
	102-7 Scale of the organization	12-14			
	102-8 Information on employees and other workers	14, 77-79			
	102-9 Supply chain	93-95			
	102-10 Significant changes to the organization and its supply chain	95			
	102-11 Precautionary Principle or approach	48-53			
	102-12 External initiatives	86-89			
	102-13 Membership of associations	9			
		30			
	102-14 Statement from senior decision-maker	33			
		38-39			
	102-16 Values, principles, standards, and norms of behavior	4-5			
		71			
	102-18 Governance structure	36-49			
		53			
	102-40 List of stakeholder groups	58			
	102-41 Collective bargaining agreements	77			
	102-45 Entities included in the consolidated financial statements	139			
	102-46 Defining report content and topic Boundaries	1			
	102-47 List of material topics	60			
	102-48 Restatements of information	1			
	102-49 Changes in reporting	N/A	No Changes		
	102-50 Reporting period	1			
	102-51 Date of most recent report		30 March 2021		
	102-52 Reporting cycle	1			
	102-53 Contact point for questions regarding the report	1			
	102-54 Claims of reporting in accordance with the GRI Standards	1			
	102-55 GRI content index	155-159			
	102-56 External assurance	1			

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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	1, 59-61			
	103-2 The management approach and its components	91			
	103-3 Evaluation of the management approach	91			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	106-113			
	201-3 Defined benefit plan obligations and other retirement plans	91			
Indirect Economic Impacts					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 59-61			
	103-2 The management approach and its components	86			
	103-3 Evaluation of the management approach	86			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	86-90			
Procurement Practices					
GRI 103: Management Approach 2016	GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 59-61		
		103-2 The management approach and its components	93		
		103-3 Evaluation of the management approach	94		

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CONTENT INDEX

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
GRI 204: Procurement Practices 2016	GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	95		
GRI Standard	**Disclosure**	**Page number(s) and/or URL(s)**	**Omission**		
			Part Omitted	**Reason**	**Explanation**
300 series (Environmental topics)					
Energy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 59-61			
	103-2 The management approach and its components	69			
	103-3 Evaluation of the management approach	69			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	70			
	302-2 Energy consumption outside of the organization	70			
Water					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 59-61			
	103-2 The management approach and its components	68			
	103-3 Evaluation of the management approach	68			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	68			
	303-5 Water consumption	68			
Waste					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 59-61			
	103-2 The management approach and its components	63-64			
	103-3 Evaluation of the management approach	63-64			
Waste 2020	306-3 Waste generated	64			
	306-5 Waste directed to disposal	64			
Biodiversity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 59-61			
	103-2 The management approach and its components	73			
	103-3 Evaluation of the management approach	73			
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	73			

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
400 series (Social topics)					
Employment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 59-61			
	103-2 The management approach and its components	77			
	103-3 Evaluation of the management approach	77			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	78-80			
Occupational Health and Safety					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 59-61			
	103-2 The management approach and its components	74-75			
	103-3 Evaluation of the management approach	75			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	74			
	403-2 Hazard Identification and Risk Assessment	74			
	403-3 Occupational health services	75			
	403-4 Worker participation, consultation and communication on occupational health and safety.	75			
	403-5 Worker training on occupational health and safety.	74			
	403-6 Promotion of worker health.	75			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	75			
Training and Education)					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 63-65			
	103-2 The management approach and its components	80			
	103-3 Evaluation of the management approach	80			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	80			
Freedom of Association and Collective Bargaining					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 59-61			
	103-2 The management approach and its components	77			
	103-3 Evaluation of the management approach	77			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	79			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 59-61			
	103-2 The management approach and its components	83			
	103-3 Evaluation of the management approach	83-84			

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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
400 series (Social topics)					
Human Rights Assessment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 59-61			
	103-2 The management approach and its components	81			
	103-3 Evaluation of the management approach	81			
Security					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 59-61			
	103-2 The management approach and its components	84			
	103-3 Evaluation of the management approach	84			
Security					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1, 63-65			
	103-2 The management approach and its components	49			
	103-3 Evaluation of the management approach	49			
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	49			

Bindura Nickel Corporation
A Member of Kuvimba Mining House

REGISTERED OFFICE

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

www.binduranickel.co.zw