



Bindura Nickel Corporation

A member of Kuvimba Mining House

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

Address: Number 1, Trojan Mine Road, Bindura, Zimbabwe

Directors: M A Masunda (Chairman), T Lusiyano (Managing Director), M J Bronn, O Chimuka, S Chinyemba, C C Jinya (Dr.), C D Malaba (Mrs), C G Meerholz, R Nhamo (Mrs), I Rukweza.

CAUTIONARY ANNOUNCEMENT

(PROFIT WARNING)

The Board of Directors of Bindura Nickel Corporation Limited (“BNC” or the “Company”) wishes to inform the Shareholders of the Company, potential investors, and the general public, of the projected decline in the Company’s profit for the half year ended 30 September 2022, amounting to approximately 193% when compared to the half-year ended 30 September 2021. Based on the preliminary assessment of the consolidated financial results, the Company is expecting to record a net loss after taxation in comparison to the net profit after taxation that was originally expected for the same period in terms of the Company’s profit forecasts as well as the net profit realized in the comparative period last year.

The Company’s production performance has been negatively impacted by an unexpected change in the ore body which necessitated a rapid transition in the mining model from a low-volume, high-grade strategy to a low-grade, high-volume strategy. Unfortunately, the transition is behind schedule due to a delay in the delivery of new underground mining mobile equipment which is a prerequisite to the realization of the new mining strategy. The delay in the delivery of equipment was due to disruptions in the global supply chains as a result of the protracted effects of the COVID-19 pandemic and the ongoing geo-political tensions related to the Russo-Ukraine conflict.

Accordingly, shareholders and the investing public are advised to exercise caution and to consult their professional advisers when dealing in the Company’s securities until another announcement is made.

Operational Update

During early October 2022, the Company experienced a breakdown of the Subvertical Rock Winder (“SVR”) which hoists ore from underground for further processing at the Concentrator plant. The breakdown has resulted in the temporary stoppage of ore hoisting operations and, consequently, the

production of Nickel concentrates. Efforts are in progress to address this challenge and to resume ore hoisting and processing operations.

Outlook

The average London Metal Exchange (“LME”) Nickel price for September 2022 was \$22,682 per tonne, which was 3.11% higher than the August 2022 average of \$21,998 per tonne. Market analysts are confident that Nickel prices will hold above \$21,000 per tonne for the rest of the year and rise to \$23,875 per tonne in 2023.

The mining mobile equipment that was referred to above is expected to arrive at the mine before the end of the calendar year, thus enabling the mine to transition into a high-volume, low-grade mining strategy, leading to an anticipated upswing in ore volumes and a return to profitability in the second half of the year under review.

Experts are currently on site in Bindura, to assist with trouble shooting on the SVR breakdown. It is envisaged that a solution will be found by end of November 2022, after which normal mining operations are expected to resume.

By order of the Board



C F Mukanganga
Company Secretary

10 November 2022