

14 January 2019

HORIZONTE MINERALS AWARDED CONSTRUCTION LICENCE FOR ARAGUAIA FERRONICKEL PROJECT

Horizonte Minerals Plc, (AIM: HZM, TSX: HZM) ('Horizonte' or 'the Company'), the nickel development company focused in Brazil, is pleased to announce that it has been awarded the construction licence for the development of its 100% owned Araguaia Ferronickel Project ("Araguaia" or "the Project") in Brazil. The award of the Construction Licence, Licença de Instalação ("LI") in Portuguese, was granted by SEMAS, the Brazilian Pará State Environmental Agency ('SEMAS').

Highlights:

- The granting of the LI provides Horizonte with the permits required to construct the Araguaia rotary kiln electric furnace ("RKEF") processing plant and associated infrastructure;
- The LI approval represents a major de-risking step for Araguaia, which is now fully permitted to commence construction;
- Receipt of the permit follows release of the Feasibility Study ("FS") results in October 2018 and filing of the 43-101 FS report on SEDAR in December 2018.

Jeremy Martin, Chief Executive of Horizonte, commented:

"I am very pleased to announce the award of the Construction Licence (LI) for Araguaia as this is a major milestone for the Company. Subject to funding, the company is now in a position to commence construction with the necessary environmental permits approved, including water abstraction permits issued in 2018 together with the newly issued LI. The LI allows development to commence on the RKEF process plant and associated infrastructure.

The award of the LI has been delivered on time and on budget with the Horizonte team working closely with SEMAS, other State agencies and the local communities. Consistent with our objective to provide long-term sustainable value for our shareholders, employees and communities, we developed integrated solutions focused on environmental protection, water efficiency and socio-economic development. The LI award follows on closely from the completion of the FS, demonstrating that Araguaia is a Tier 1 asset with the potential to be a low-cost supplier of nickel in the form of high-grade ferronickel to the stainless-steel industry. Over the initial 28-year mine life, Araguaia is expected to generate cash flows after taxation of US\$1.6 billion and sits on the lower half of the global cost curve.

Horizonte Minerals Plc

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Registered in England & Wales no 5676866

The LI and FS results combined with the positive fundamentals around the nickel market positions Horizonte well for 2019, with the construction-ready Araguaia project to supply the ferronickel market and our second project, the Vermelho nickel cobalt project, being advanced to supply the Electric Vehicle battery market. We look forward to updating the market over the coming months, at what is an exciting time for the Company.”

Detailed Information

After receiving the Preliminary Environmental Licence (“LP”) in 2016, concluding the FS in October 2018 and filing of the FS on SEDAR in December 2018, the receipt of the LI allows the Company to undertake construction activities for the Araguaia project.

The Company worked with Environmental Resource Management ('ERM'), a global leader in this field, together with local Brazilian groups: Integratio Mediação Social e Sustentabilidade (social and land) and DBO Environmental Engineering (fauna) for the FS environmental and social work streams and the project permitting work for the LI. All work has been undertaken to the International Finance Corporation (IFC) Performance Standards, 1, 2 and 5 and Brazilian CONAMA environmental legislation.

The groups, together with the Company, conducted a number of phases of work in 2017 and 2018 including:

- Environmental Control Plans - elaboration and detailing of socio-environmental programs;
- Inventories of fauna and flora;
- Air dispersion modelling;
- Hydrogeological modelling and water balance;
- Visits by physical, biological and social analysts to site; and,
- Air, noise and water monitoring – ongoing as part of base line data build up into the construction and operational phase.

Araguaia will generate approximately 500 direct and indirect jobs in the south-eastern rural area of Pará State, over the 28 years of operations. The majority of these workers during the operational phase will reside locally. The peak construction workforce is expected to reach over 1,000.

Community contributions are expected to total over US\$700 million during the life-of-mine, including:

- Over US\$400 million in company taxes; and,
- Over US\$280 million in employee and contractor wages.

About Araguaia

The wholly owned Araguaia Project is located in the south-east of the Brazilian state of Pará, approximately 760 km south of the state capital Belém.

The Project comprises an open pit nickel laterite mining operation that mines 27.5 million tonnes ('Mt') Mineral Reserve of a 119 Mt Mineral Resource to produce 52,000 tonnes of ferronickel ('FeNi') (containing 14,500 tonnes of nickel) per year, for the 28-year mine life. The metallurgical process comprises a single line RKEF to extract FeNi from the laterite ore. The RKEF plant and project infrastructure will be constructed over a 31-month period. After an initial ramp-up period, the plant is expected to reach full capacity of approximately 900,000 tonnes of dry ore feed per year.

The FeNi product will be transported by road to the port of Vila do Conde for sale to overseas customers.

Based on the FS results published in October 2018, the economic analysis indicates a post-tax NPV of US\$401 million and an IRR of 20.1% using the base case forecast of US\$14,000/t Ni. This increases to US\$1,906 million and 50.4% when using the long-term price forecast by Wood Mackenzie of US\$26,450/t Ni.

Detailed Information

For further information visit www.horizonteminerals.com or contact:

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About Horizonte Minerals:

Horizonte Minerals plc is an AIM and TSX-listed nickel development company focused in Brazil. The Company is developing the Araguaia project, as the next major ferronickel mine in Brazil, and the Vermelho nickel-cobalt project, with the aim of being able to supply nickel and cobalt to the EV battery market. Both projects are 100% owned.

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