

NEWS RELEASE

15 July 2021

ARAGUAIA PROJECT**OPERATIONAL UPDATE**

Horizonte Minerals Plc, (AIM: HZM, TSX: HZM) (“Horizonte” or “the Company”) the nickel company focused on Brazil, is pleased to provide an operational update for the Araguaia Nickel Project (“Araguaia” or “the Project”).

Highlights:

- Significant progress on key project execution preparation activities, including competitive tendering for supply of key processing equipment, electric furnace and project management (EPCM) services
- Operational Readiness Plan well advanced with all key permits in place for commencement of construction
- Financing discussions remain on track. Credit committee approval for the senior debt facility expected in Q3 2021 as previously announced
- Key environmental and social programmes continuing in preparation for construction phase
- Mobilisation of Head of Projects to Brazil and appointment of Engineering, Community, Health and Safety Managers continues the build out of the project execution team

Horizonte’s CEO, Jeremy Martin, commented: *“In the six months since the completion of the value engineering work, significant progress has been made on plans to implement the project. Tenders have been completed for approximately US\$230M of key equipment and services to be supplied under contract with industry-leading vendors. This progress has enabled the project execution plan to be further advanced and to better reflect the current context in Brazil, allowing us to successfully deliver a tier-one nickel project. We have made progress with the senior debt facility following completion of due diligence by the lending syndicate, with credit committee approval on track for Q3 2021.*

Mike Drake, our newly appointed Head of Projects has arrived in Brazil safely, successfully reopened the office in Belo Horizonte and is rapidly building out our project execution team. Together with the excellent progress being made on our financing initiatives and the recent strength in the nickel price, it is exciting to see an increase of activity on the ground in Brazil as our preparation to start construction in the coming months intensifies.”

Project Execution Readiness

Based on the optimised scope and execution plan that was generated by the Value Engineering work (see announcement 4 December 2020), the past six months have focused on final preparations for project execution.

The objectives of this project readiness process has been to:

- Define the final process equipment specification and suppliers that will be used by the Project, particularly the electric furnace and rotary kiln;
- Identify and partner with the best-placed Engineering, Procurement and Construction Management (EPCM) contractor to deliver the Project;

- Update and detail the Project Execution Plan to reflect these inputs; and
- Optimise the Operational Readiness Plan.

Key outcomes of the work include:

- Prioritising procurement of linked process equipment as ‘process island packages’ where possible, to reduce interface risk;
- Contract negotiations being well advanced with all key vendors following the completion of a detailed and rigorous assessment process of all technical and commercial proposals received and subsequent proposal optimisation process;
- Competitive tenders completed and significant progress made on the following key packages:
 - Process equipment including crushers, conveyors, electrical, dryer, kiln, dust collection and refinery;
 - Electric furnace and calcine transfer system;
 - Overland powerline and main electrical infrastructure EPC; and
 - Construction contracts, including bulk earthworks, temporary construction infrastructure and services, and civil works;
- Updated market proposals for key opex inputs; and
- Capital expenditure and operational expenditure remain in line with the Value Engineering work.

Environmental and Social

Horizonte’s environmental and social workstreams are critical to our social licence to operate. As part of the financing due diligence phase and in preparation for the construction of the Project, the sustainability team has further de-risked Araguaia by completing a number of management plans to ensure Araguaia remains compliant with Equator Principles (IV) and IFC Performance Standards with input by consulting groups ERM and Kienbaum.

The Company has permitted all infrastructure components of Araguaia, including the award of construction licences for the transmission line and the water pipeline in early 2021.

A full suite of social and environmental control plans were developed as part of Araguaia’s Brazilian environmental construction licences, and a number of programmes have commenced prior to construction. Some examples of work commenced include the resettlement action plan, social communication programme, safety improvements for school communities located along the PA-449 highway, and the Local Development Agenda programme.

Team

The Company’s newly appointed Head of Projects, Michael Drake, (see announcement 1 March 2021) has mobilised in Brazil and is working from Horizonte’s Belo Horizonte office. Mike is building out the execution team. Roles including project controls, contracts and procurement, human resources, industrial relations, and construction managers planned to mobilise in July 2021, supplementing Horizonte’s existing strong technical, environmental and permitting team.

The Company’s offices in Belo Horizonte and London are now fully open, operating with strict Covid compliant health and safety measures.

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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.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain information contained in this press release constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, the ability of the Company to complete the Acquisition as described herein, statements with respect to the potential of the Company's current or future property mineral projects; the success of exploration and mining activities; cost and timing of future exploration, production and development; the estimation of mineral resources and reserves and the ability of the Company to achieve its goals in respect of growing its mineral resources; the ability of the Company to complete the Placing as described herein, and the realization of mineral resource and reserve estimates. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: the inability of the Company to complete the Acquisition as described herein, exploration and mining risks, competition from competitors with greater capital; the Company's lack of experience with respect to development-stage mining operations; fluctuations in metal prices; uninsured risks; environmental and other regulatory requirements; exploration, mining and other licences; the Company's future payment obligations; potential disputes with respect to the Company's title to, and the area of, its mining concessions; the Company's dependence on its ability to obtain sufficient financing in the future; the Company's dependence on its relationships with third parties; the Company's joint ventures; the potential of currency fluctuations and political or economic instability in countries in which the Company operates; currency exchange fluctuations; the Company's ability to manage its growth effectively; the trading market for the ordinary shares of the Company; uncertainty with respect to the Company's plans to continue to develop its operations and new projects; the Company's dependence on key personnel; possible conflicts of interest of directors and officers of the Company, the inability of the Company to complete the Placing on the terms as described herein, and various risks associated with the legal and regulatory framework within which the Company operates. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.