

**NEWS RELEASE**

15 December 2022

**CONSTRUCTION OF ARAGUAIA NICKEL PROJECT REMAINS ON SCHEDULE AND ON BUDGET****CONSTRUCTION HIGHLIGHTS:**

- Strong safety performance with zero lost time injuries (“LTI’s”) after over 990,000 hours worked
- Construction is on-schedule with overall project progress approximately 28% complete
- Construction is on-budget with approximately 75% of capital expenditure, over US\$415m, awarded to date
- Conditions related to the Senior Debt facility have been satisfied and first draw down has recently been completed
- Ten-year renewable power contract secured at globally competitive prices, providing a foundation for future production costs in the lowest quartile globally

**Horizonte Minerals Plc (AIM/TSX: HZM) (“Horizonte” or the “Company”)** reports that it is continuing to make good progress on the construction of its 100%-owned Araguaia Nickel Project (“Araguaia” or “the Project”) in Brazil which remains on-budget and on-schedule to commence production in Q1-2024.

As of 30 November 2022, approximately 28% of the total Project construction programme has been completed. Earthworks are significantly advanced and due to be concluded in January 2023. The detailed engineering works are 87% complete and due to be concluded during Q1 2023. Approximately 75% of capital expenditure has been awarded to date, amounting to over US\$415 million, and the key long lead items are running to schedule with the furnace shell due on site in late December and the rotary kiln due to be delivered in early Q1 2023.

Horizonte’s Management will host a webinar on Thursday, 15 December 2022, at 10:00am GMT to discuss the construction progress. Investors and analysts are invited to access the webinar by registering in advance through the following link: <https://www.investormeetcompany.com/horizonte-minerals/register-investor>. Questions may be submitted at any time during the live presentation. A recording of the webinar will be available on the Company’s website.

**Jeremy Martin, CEO of Horizonte, commented:** *“We are very pleased with the construction progress achieved to date which places us in a strong position to deliver the project on-budget and on-schedule, and most importantly with a strong safety track record. We are also very pleased to have drawn from the Senior Debt facility, a core part of the overall funding package of Araguaia.*”

*“Araguaia is expected to bring significant social and economic benefits to our host communities and local stakeholders and we were pleased to see our efforts recognized at the Brazilian Association of Human Resources awards held, in early December, by winning the ESG category for our local professional training program – Transforming Horizons.*”

*“Overall, it has been a transformational year for the Company and I would like to thank our employees, contractors and key stakeholders for their strong efforts thus far to progress Araguaia’s construction. I firmly believe that our collective efforts will enable us to quickly unlock significant value at Araguaia as we move closer to producing first nickel.”*

## CONSTRUCTION PROGRESS SUMMARY

### Health and Safety

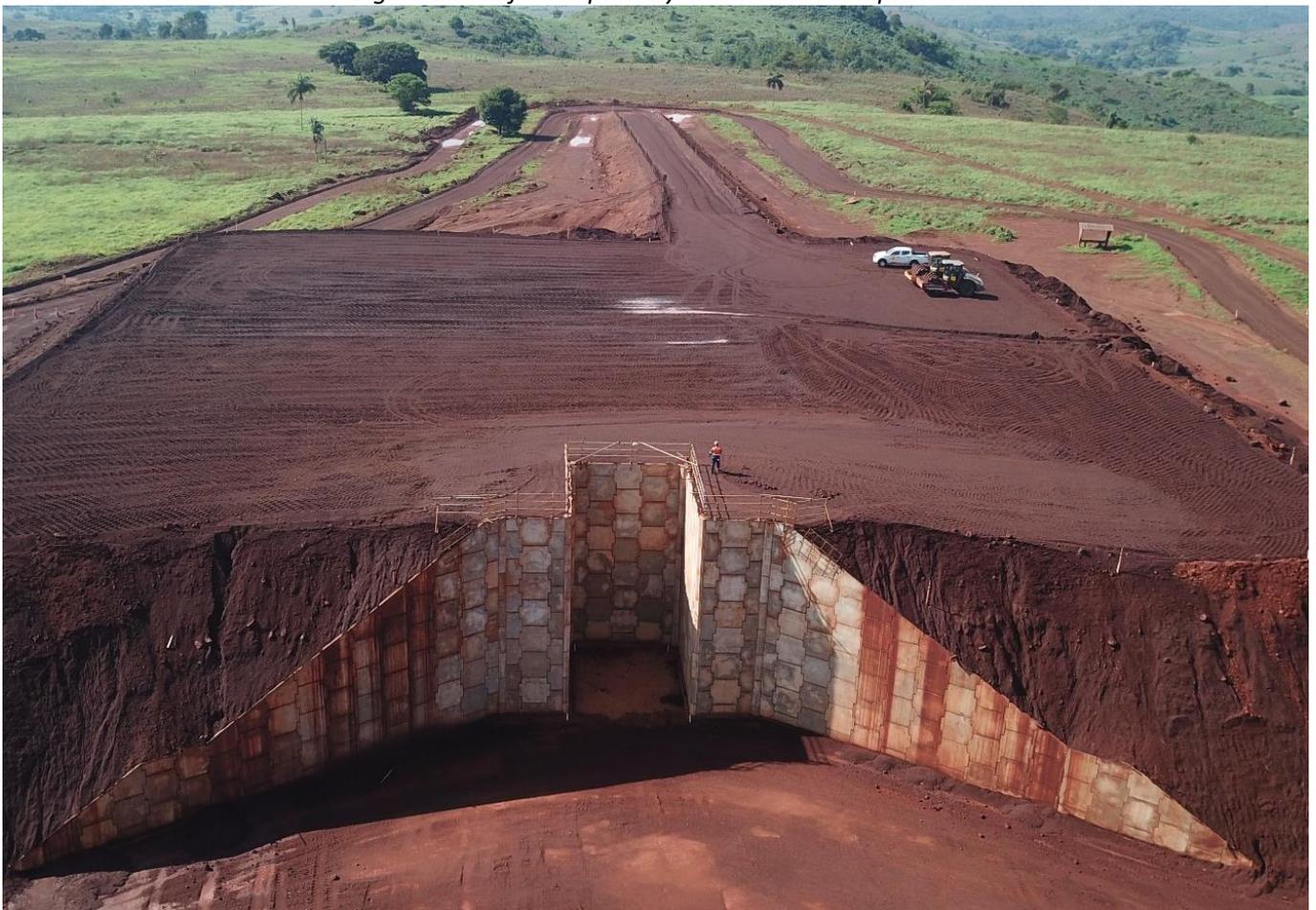
The lost-time injury frequency rate (“LTIFR”) at Araguaia in October 31, 2022 was 0.00 and the total recordable injury frequency rate (“TRIFR”) was 1.45 based on a 12-month rolling average, which are calculated per million hours worked. We have continued our focus on embedding the critical risk controls with our growing workforce and reinforcement of the Horizonte Golden Rules. To complement these activities, we continued to implement tools to increase involvement and participation by our contracting partners in our safety systems and processes. Year to date over 1,600 internal safety audits have been conducted and over 1,550 safety plan observations have been completed.

In the quarter, the Company conducted a campaign of occupational hygiene monitoring where worker exposure to particulates, gases, noise and vibration were monitored. These activities, combined with routine medical surveillance, ensure that our workforce remain fit and healthy.

### Construction activities

As seen in Figure 1, the reinforced primary crusher wall has now been completed, the next stage is to contour and hydroseed the pad sides and install the reinforced concrete base where the primary crusher will be mounted.

*Figure 1: Reinforced primary crusher wall completed.*



As seen in Figure 2, civil works are making good progress, where the electric arc furnace foundations have been successfully completed and the furnace baseplate, which is already on site, is due to be mounted in the coming weeks, marking the beginning of the electro-mechanical installation phase. A timelapse video of the furnace

foundation concrete pour totalling 2,707m<sup>3</sup> of concrete can be found here:  
[https://horizonteminerals.com/uk/en/videos\\_and\\_audio/](https://horizonteminerals.com/uk/en/videos_and_audio/)

*Figure 2: Showing the complete furnace foundation with the calcine transfer system foundation to the left of the furnace with the form work being prepared ahead of main concrete pour*



To date, 510 deep pile foundations, sunk to a depth of 18 meters, have been installed across the plant site, including for the rotary kiln support column foundations, calcination area, secondary crusher and homogenisation building, as seen in Figure 3.

*Figure 3: Piling of the main steel supports for homogenisation building*



The construction of the main 125 kilometre, 230kV powerline to power the process plant, is advancing along four work fronts. Pre-assembly of the tower structures is ongoing with drilling and concreting of the tower foundations progressing to schedule. Construction of the main substations at the mine site and connection point has commenced.

As shown in *Figure 4* the furnace baseplate sections arrived on site with welding now complete, and the furnace shell is due to be delivered to site by the end of the year.

Figure 4: Store yard showing the furnace base plates and the steel beams (in blue) for the main furnace building structure



#### Environmental activities

In the Company's second quarter of active construction, environmental programs remained focussed on avoidance and mitigation of impacts. Fauna protection programs included active relocation of animals ahead of clearing for construction activity. To date over 140 individuals of 55 species have been rescued through this program. The Company's teams also continued collecting plant propagules (seeds, seedlings and similar) to ensure species and genetic diversity is maintained in the nursery plant generation programs. The biodiversity conservation centre construction and plant nursery expansion are now largely complete. The nursery is expected to deliver 50,000-60,000 native tree seedlings per year for rehabilitation and the generation of new green corridors.

As part of the Company's activities towards net positive impact on biodiversity, Horizonte commenced afforestation of pasture affected creek lines that had been impacted by long term agriculture and over-grazing. Associated with the Company's biodiversity objectives, a study of invasive plant species was completed, forming part of the ongoing update of Horizonte's Biodiversity Action Plan.

#### Social activities

In December 2022, Horizonte was proud to be recognised at the Brazilian Association of Human Resources awards as the winner in the ESG category for our local professional training program – Transforming Horizons. The program, conducted in partnership with Brazil's leading national industrial training provider, Serviço Nacional de Aprendizagem Industrial (SENAI) has delivered over 20 accredited training courses (12 completed to date), with over 200 graduates, 32% of whom are female and 14% are youth. In just seven months since inception, the Company has already employed 28 graduates at Araguaia.

#### **POWER PURCHASE AGREEMENTS**

In November, binding power purchase agreements were executed covering the first 10 years of Araguaia's production, locking in globally competitive prices, 30% below the Feasibility Power cost assumption. Representing approximately a third of Araguaia's operational cost, these competitive electricity prices will help establish the Company in the lowest cost quartile globally. Further, in line with the Company's target of operating in the lowest

quartile of CO<sub>2</sub> emissions, Horizonte will leverage the abundant hydropower available in Brazil. Through this, Horizonte is able to not only differentiate itself against global peers from a cost perspective, but also from an environmental standpoint.

### PROJECT FINANCING ACTIVITIES

As announced on 8 December 2022, Horizonte satisfied all conditions precedent for the first utilization under the previously announced senior secured project finance debt facilities of US\$346.2 million (the “Senior Debt Facilities”) and is now in receipt of the first tranche of funds from the Senior Lenders.

This milestone demonstrated that the Company has made significant progress on the Project development schedule and that it has been able to satisfy to the Senior Lenders that the Company has:

- made significant progress with construction, and in line with the schedule;
- awarded all of the key material contracts, including equipment supply, Engineering Procurement and Construction Management (EPCM), port access and power supply;
- have a long-term offtake in place for 100% of Araguaia’s production from line 1 with a high quality counterparty in Glencore; and
- have built out a high-quality team to deliver the Project.

Following the Company’s announcement on 4 October 2022 regarding a proposed equity fundraise of approximately £61.7 million, Horizonte was pleased to announce an oversubscribed and upsized fundraise of approximately 70.5 million on 5 October 2022, which was finalised on 8 November 2022 following admission to AIM and the TSX of the newly issued shares.

For further information, visit [www.horizonteminerals.com](http://www.horizonteminerals.com) or contact:

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### ABOUT HORIZONTE MINERALS

Horizonte Minerals plc (AIM & TSX: HZM) is developing two 100%-owned, Tier 1 projects in Pará state, Brazil, the Araguaia Nickel Project and the Vermelho Nickel-Cobalt Project. Both projects are large scale, high-grade, low-cost, low-carbon and scalable. Araguaia is under construction with first metal scheduled for early 2024, when fully

ramped up with Line 1 and Line 2, is forecast to produce 29,000 tonnes of nickel per year. Vermelho is at feasibility study stage and is expected to produce 25,000 tonnes of nickel and 1,250 tonnes of cobalt to supply the EV battery market. Horizonte's combined near-term production profile of over 60,000 tonnes of nickel per year positions the Company as a globally significant nickel producer. Horizonte's top three shareholders are La Mancha Investments S.à r.l., Glencore plc and Orion Resource Partners LLP.

## **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 of equipment as described herein, statements with respect to the potential of the Company's current or future property mineral projects; the ability of the Company to complete a positive feasibility study regarding the second RKEF line at Araguaia on time, or at all, the success of exploration and mining activities; cost and timing of future exploration, production and development; the costs and timing for delivery of the equipment to be purchased as described herein, 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 realization of mineral resource and reserve estimates and achieving production in accordance with the Company's potential production profile or at all. 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 of equipment contemplated herein, on time or at all, the ability of the Company to complete a positive feasibility study regarding the implementation of a second RKEF line at Araguaia on the timeline contemplated or at all, 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, and various risks associated with the legal and regulatory framework within which the Company operates, together with the risks identified and disclosed in the Company's disclosure record available on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com), including without limitation, the annual information form of the Company for the year ended December 31, 2021, the Araguaia Report and the Vermelho Report. 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.