CONFLICT-FREE NICKEL ASSESSMENT REPORT 2022

HORIZONTE MINERALS

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Overview

Horizonte Minerals ("Horizonte" or "the Company") is a member of the Nickel Institute ("NI") and the Critical Minerals Association ("CMA") and is implementing systems to ensure that Horizonte's nickel can be recognised as 'responsibility sourced' for the customers and users in the supply chain.

Responsible sourcing is of increasing importance to stakeholders, with key drivers being:

- increasing jurisdictional requirements, e.g. European Union Battery Regulation:
- exchange requirements, e.g. London Metal Exchange Policy on Responsible Sourcing; and
- societal demand for responsibly sourced products.

Responsible sourcing assurance programs incorporate assessments of a range of environment, social and governance elements typically identified against a risk-based materiality framework. These programs require that an assessment is completed to understand whether the mineral (in this case, nickel) is sourced from conflict affected or high-risk areas (CAHRAs), and if so, how the mineral producer manages risk - to ensure that they respect human rights and avoid contributing to conflict through their mineral sales/purchasing decisions and practices.

Whilst there are a variety of assurance programs, frequently tailored to specific mineral commodities, the majority have adopted definitions and processes that reflect the *OECD Due Diligence* Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. This guidance is widely recognised as good industry practice for use by companies potentially sourcing minerals or metals from conflict-affected and high-risk areas.

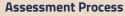
At present the nickel industry has not adopted a specific or standardised methodology for the conduct of a conflict-free nickel assessment. Nickel is not typically considered to be a conflict-mineral. As a result, Horizonte has aligned our conflictfree assessment to the methodologies utilised by such assurance frameworks – to enable us to demonstrate that the nickel that we will produce does not cause, support, or benefit unlawful armed conflict, or contribute to serious human rights abuses or breaches of international humanitarian law. These initiatives augment the company's commitments to good international industry practices.

Responsibility for the implementation of this standard resides with the Company's Head of Sustainability, who reports directly to the Chief Executive Officer. The Chief Executive Officer and Executive Management report to the Company's Board of Directors.

Public reporting against these standards will be conducted annually and additionally this report will be provided to the independent environmental and social auditors.

Reporting Boundary

The following report covers the projects over which Horizonte has direct control. This includes the Araguaia and Vermelho projects located in the Pará State, Brazil, managed by the Company's subsidiaries, namely Araguaia Níquel Metais Ltda and Trias Brasil Mineração Ltda, respectively.



Following the standards and processes used for conflict minerals, the assessment has followed these steps:



Part A uses external, objective criteria to assess whether the areas in which a company's mines are located should be assessed as being 'conflict-affected' or 'high-risk'. There are two primary exercises to determine this evaluation. The first step consists of an evaluation that the mining and onward transport of the mineral does not take place in breach of international sanctions, including those imposed by United Nations, the European Union, the Organization of American States, and/ or similar widely respected supra-national bodies.

The second step consists of referencing the Heidelberg Conflict Barometer Index. Areas should be considered 'conflict-affected' or 'high-risk' if they are currently ranked, according to the Conflict Barometer, as 5 (war) or 4 (limited war) or have been at any stage during the previous two calendar years.

Companies that have operations in a 'conflict-affected' or 'high-risk' area are then required to complete Parts B to D to help ensure they are not contributing to such conflict.

Assessment Outcomes		
\bigcirc	PART A Conflict Assessment	As per the requirements of P international sanctions databa
		 United Nations Security C Sanctions imposed by the Consolidated list of person financial sanctions The European Union Confl Sanctions imposed by the
		Horizonte has concluded that, lists, the Company does not c international sanctions.
		Horizonte also conducted a rev its previous five versions. Base does not operate in a 'conflict-
		To complement these processe experts to complete a security not have any findings that wo 'high-risk' of conflict. The finding the Board of Directors.
	PART B Company Assessment	Part B of the process was deen not operate in a 'conflict affect
Q	PART C Commodity Assessment	Part C of the process was deer not operate in a 'conflict affect
28 Nickel	PART D Externally Sourced Nickel Assessment	Part D of the process was deen not source nickel or nickel bear
X	PART E Management Statement of Conformance	Horizonte is not yet producing complete management staten of alignment provided below ha our projects.

Management Statement of Alignment

Horizonte Minerals plc confirms, to the best of our knowledge, that all activities at our construction and development projects are not supporting or benefiting unlawful armed conflict, contributing to serious human rights abuses, or breaching international humanitarian law as defined by the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

We also confirm that we have, relative to the current stage of development of our projects, the appropriate management systems, review processes, and controls in place to ensure we are in conformance with the standards adopted by the company pertaining to responsible sourcing.

Part A of the process, Horizonte conducted a review of bases and lists, including the following:

- Council Consolidated List e Government of Canada ons, groups and entities subject to European Union
- flict Minerals Regulation e government of United Kingdom
- t, based on a review of the above laws, databases and operate in any country or region that is subject to any
- view of the Heidelberg Conflict Barometer Index, including sed on this review, it was determined that the Company -affected' or 'high risk' country or region.
- ses, in 2022 the company engaged specialist security risk ty threat assessment for Horizonte. The assessment did ould indicate Brazil as being either 'conflict-affected' or lings of the detailed assessment were communicated to
- emed 'Not Applicable' to Horizonte as the Company does ted' or 'high-risk' country or region.
- emed 'Not Applicable' to Horizonte as the Company does ted' or 'high-risk' country or region.
- emed 'Not Applicable' to Horizonte as the Company does aring materials from third parties.
- ng nickel. In the year of our first production of nickel a ement of conformance will be published. The statement has been adjusted to reflect the phase of development of
- This statement covers the period of 1 January 2022 to 31 December 2022. Feedback on this statement can be directed to Ms. Philipa Varris (Head of Sustainability) at info@horizonteminerals.com

Horizonte Minerals Plc, Rex House, 4-12 Regents Street, London, SW1Y 4RG, United Kingdom +44 (0)203 356 2901 • info@horizonteminerals.com • www.horizonteminerals.com