

HORIZONTE MINERALS PROVIDES Q2-2023 UPDATE

CONSTRUCTION OF ARAGUAIA NICKEL PROJECT NOW 65% COMPLETE

HIGHLIGHTS:

- Araguaia Nickel Project Line 1 construction activities continued to make good progress with first metal production on-schedule for Q1 2024
 - Strong safety performance, no lost time injuries with close to 3.8 million hours worked
 - Approximately 65% of the overall construction of Araguaia was completed as of 30 June 2023, with physical site construction 53% complete
 - Several major milestones were achieved during the quarter including the delivery of the Rotary Kiln and commencement of ore mining
 - US\$329 million has been spent on the Araguaia construction out of the budgeted capital requirement of US\$537 million
- Araguaia Nickel Project Line 2 Feasibility Study (“FS”), which aims to double nickel production from 14,500 tonnes per annum to 29,000 tonnes per annum, to be published later this year
- Liquidity and funding sources of US\$344 million as of 30 June 2023
- Published fourth consecutive standalone Sustainability Report for 2022
- A recent video of the project progress is available: https://horizonteminerals.com/uk/en/videos_and_audio/

Horizonte Minerals Plc (AIM/TSX: HZM) (“Horizonte” or the “Company”) the nickel company developing two Tier 1 assets in Brazil, reports that it is continuing to make good progress on the construction of its 100%-owned Araguaia Nickel Project Line 1 (“Araguaia” or “the Project”). The Company is targeting first metal in Q1 2024. Management will be hosting a webinar today, 3 August 2023, at 14:00 BST to discuss Araguaia’s construction progress.

As of 30 June 2023, approximately 65% of the overall Araguaia Line 1 construction programme has been completed, physical site construction was 53% advanced with ore stockpiling having now commenced following the issuance of the mining permit during the quarter. Additionally, a major milestone in the quarter was the safe delivery to site of the rotary kiln, a key long lead item. The 11 steel sections will now be aligned and welded together before being lifted into place for final installation on the kiln piers. Off-site, construction of the 126km, 230kV transmission line is well advanced with over 90% of the pylons erected and 42 km of conductor cable installed. Construction of the water storage reservoir has commenced. As of 30 June 2023, a total of US\$329 million has been spent on the Araguaia construction out of the budgeted capital requirement of US\$537 million. As at quarter-end, the Company had total liquidity and funding sources of US\$344 million.

Jeremy Martin, CEO of Horizonte, commented: *“We are pleased with progress to date at Araguaia Phase 1, with around 65% of the overall project completed as at quarter-end. We are targeting first metal in Q1 2024.*

“We are proud to have maintained a strong safety record to date and the safe delivery of the rotary kiln to site was a significant milestone during the quarter and a testament to the commitment and dedication of our team.

“Whilst the key focus is the construction activities at Araguaia, we are making good progress on the Line 2 Feasibility Study which is scheduled to be published later this year. The proposed expansion has the potential to double the annual nickel production to 29,000 tonnes per year.

“With the progress made to date, we remain confident in our ability to deliver our world-class project in a safe and responsible manner, continuing to move closer to unlocking the full value of Araguaia, and more broadly across Horizonte’s portfolio of Tier 1 assets, realising our objective of becoming a low-cost nickel producer.”

The FS for Horizonte’s 100% owned Vermelho project in Brazil, is currently on-going and is expected to be published in 2024. Vermelho has a high-grade scalable resource with a long mine life. Given Vermelho’s geological characteristics, the ore has the ability to be processed either through High-Pressure Acid Leach (“HPAL”) or Rotary Kiln Electric furnace (“RKEF”) technologies. As part of the study and driven by the evolving market dynamics, Horizonte is evaluating the optimal final nickel product that will supply the critical metals market.

Management will be hosting a webinar today, 3 August 2023, at 14:00 BST to discuss Araguaia’s construction progress. Investors and analysts are invited to access the webinar by registering in advance via 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 shortly after its conclusion.

ARAGUAIA LINE 1 CONSTRUCTION: FIRST METAL ON-SCHEDULE FOR Q1 2024

1. Health, Safety & Wellbeing

The lost-time injury frequency rate (“LTIFR”) for Araguaia as at June 30 2023 was 0.00 and the total recordable injury frequency rate (“TRIFR”) was 1.03 based on a 12-month rolling average¹. This compares favourably with a TRIFR of 3.7 for the same period last year but is a decrease in performance compared to the previous quarter and reflects three restricted work cases in the quarter where an employee is unable to perform the full range of normally assigned duties over the course of a day. As the construction workforce has increased by 18% to over 3,300 people across the project during this period, Horizonte has continued to focus its efforts on embedding the critical risk controls within the growing workforce whilst reinforcing risk management. The Company continues to implement tools to increase engagement and participation by our contracting partners in our safety systems and processes. For the project to date, over 5,800 internal safety audits have been conducted and over 7,500 safety plan observations have been completed. In the quarter, extensive campaigns on hand safety were conducted.

¹ Calculated per million hours worked

2. Construction activities

As seen in *Figure 1*, good progress has been made across the RKEF processing site where overall project completion was approximately 65% advanced, with physical site construction 53% complete and multiple work fronts are active. Araguaia’s Rotary Kiln Electric Furnace flow sheet is designed to produce 14,500 tonne-per-annum of high-grade ferronickel (FeNi). The Araguaia processing site has also been designed and optimised to allow for the build out of Line 2 with key fixed infrastructure sized to support both lines, helping to reduce the overall cost of developing Line 2.

Figure 1 – An overview of the Araguaia processing site



Figure 2 shows the ROM pad along with the ROM bin and primary crusher. The steel structure will house the crusher which is already on site. Ore blended from the ROM stockpiles, will pass through the primary and secondary crushers where it will be reduced to less than 80 mm, before being transferred to the Homogenisation shed.

Figure 2 – The ROM pad, ROM bin and primary crusher



Figure 3 shows the roof trusses being installed for the 193m long Homogenisation shed that will be used to blend the crushed ore. An overhead tripper conveyor will run the full length of the shed capable of building two blended stockpiles, one of which will be being built while the other is being reclaimed. Each stockpile has a capacity of around 18,000t, enough for 3.5 days of furnace feed.

Figure 3 – The Homogenisation shed



Figure 4 shows the four Rotary Kiln piers, the individual kiln pieces and the steel erection of the electrostatic precipitator. Having arrived at site in June following an ~18,000km journey by sea, river and road, the 11 pieces of the 802 tonne FLSmidth rotary kiln will now be aligned using polar verification, welded together into four sections before being lifted into place for final welding and installation on the kiln piers. The kiln itself was designed and built according to the highest industry-leading standards to improve efficiency of the reduction process. Features include having the lowest specific heat loss in its class as well as an integrated electrostatic precipitator, delivering efficient emission controls thereby having one of lowest particulate emission levels in the industry.

Figure 4 – Rotary kiln piers, the individual kiln pieces, the steel erection of the electrostatic precipitator and the electric arc furnace



As seen in *Figure 5*, erection of the steel structure that surrounds the electric arc furnace continues to make good progress with the 4th of 5 floors now erected. This will house all the associated equipment and infrastructure that is required to operate the furnace within a temperature range of up to 1,550 °C. Erection of the building is through a modular construction process, lifting large pre-assembled sections of steel work, including scaffolding and railings, into place. The calcine transfer system, located on the left-hand side, takes the hot calcine from the rotary kiln and delivers it into the electric arc furnace. From there, the ferronickel will be tapped & refined to produce a granulated high-grade 30% FeNi product which will be transported via truck to a bonded warehouse in the port of Vila do Conde.

Figure 5 - Electric arc furnace



Figure 6 shows construction of the electrical sub-station, supplied by Vision. Here, electricity from the 230kV transmission line will be received before being distributed across the site. Low cost, renewable electricity will be transmitted along the 126km powerline from the Xinguara Bay substation, the only major offsite infrastructure required for the Araguaia project. To date, 240 out of 260 pylons have been erected and 42km of the conductor cables has been installed.

Figure 6 – Electrical sub-station



3. Commencement of ore stockpiling

As announced in early July, Araguaia’s mining permit was approved (“Autoriza o comissionamento da atividade de Extração Mineral”) enabling the Company to mine and stockpile ore in anticipation of commissioning, thereby optimising the consistency of the feedstock. The first mineralised ore has since been mined and stockpiling has begun. Over the course of the next six months, further stockpiles will be established, with sufficient ore to feed the plant for the subsequent six months. Fagundes, a leading Brazilian contract mining services company began pre-stripping activities at the Pequizeiro pit in April and to date have removed ~400kt of overburden.

Figure 7 – A view of the Pequizeiro pit



4. Water storage reservoir

Construction of the water-storage reservoir has commenced. The next steps will be elevation of the main embankment, internal drainage and jet grouting the main embankment wall. The reservoir will provide a constant source of cooling water to the process plant and act as a heat sink for the furnace. Over Araguaia’s life of mine, Horizonte expects ~ 90% of water used in the process plant to be recycled.

Figure 8 – Water storage reservoir



5. Environmental activities

With the onset of the dry season, management of dust from road traffic has become an area of focus. In 2022 alone, Horizonte invested over BRL 50M in state and municipal road upgrades – including widening, capping, safety controls and bridge upgrades, making what were previously poor quality roads, safe for increased levels of activity – benefiting the Company and local communities. In relation to the management of dust, the Company continues implementing its commitments in the sections of roads most impacted by Company activities. Beyond compliance, in the quarter this included the commencement of sealing of roads adjacent to five small rural villages. As the roads are state and municipal infrastructure, intended to be maintained through the payment of taxes for the benefit of all road users, the additional BRL 2M commitment to road sealing is a corporate social responsibility initiative of the Company.

6. Social activities

In the quarter, Horizonte continued to implement a range of social programmes at Araguaia. In conformance with International Finance Corporation (IFC) Performance Standard 5, the Company has been advancing various initiatives in support of the families that are directly impacted by the project. The first three houses for resettled families are now complete and agronomic support is being provided as part of the livelihoods restoration and enhancement plan. Also in the period, the Company continued the sampling of community water supply systems and sharing the results of the water quality testing. None of the results were project impacted, however valuable engagement occurred as the Company raised awareness on ‘safe’ water supply, hygiene and health. The programmes were well received by the community participants.

7. Permitting

In the quarter and as previously announced, we were pleased to announce the receipt of authorisation for the commencement of mining at Araguaia. In Brazil, environmental licencing follows a three-stage process: i) preliminary licence (LP), which is issued following assessment and acceptability of the project proposal and impact assessment; ii) installation licence (LI) allowing construction and other preliminary development, such as pre-stripping; and iii) operational licence, allowing the use and operation of the constructed/developed infrastructure. With the issuance of the mining authorisation, Horizonte has commenced extraction and stockpiling of ore in preparation of commissioning.

ARAGUAIA LINE 2: FEASIBILITY STUDY EXPECTED IN 2H 2023

In March 2023, Horizonte awarded the Araguaia Line 2 FS contracts aiming to double nickel production to 29,000 tpa at Araguaia through the construction of a duplicate RKEF processing facility (“Line 2”). Good progress has been made to date and the Company continues to target publication of the study results later this year. Araguaia line 2 is expected to deliver greater operational flexibility, lower capital intensity and increased operating margins. The aim of the FS is to produce a NI 43-101 Feasibility Report supported by a AACEI Class 2-quality cost estimate, and project execution plan.

PROJECT FINANCING ACTIVITIES

As of 30 June 2023, a total of US\$329 million has been spent on the Araguaia construction out of the budgeted capital requirement of US\$537 million.

As of 30 June 2023, US\$140 million has been drawn down from the senior secured project finance debt facility of US\$346 million (the “Senior Debt Facility”). As of 30 June 2023, the Company had total liquidity sources of US\$344 million comprised of US\$206 million undrawn on the Senior Debt Facility, a cash position of US\$108 million, and

US\$30 million on the Cost Overrun Facility (which remains undrawn to date). After quarter-end, the Company successfully passed its cost-to-complete test, in accordance with its lending terms, which assessed the Company's funding headroom to carry-out the Araguaia Phase 1 project build to nameplate production, enabling the draw down of an additional US\$75m.

For further information, visit 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 high-grade, low-cost, with low carbon emission intensities and are scalable. Araguaia is under construction with first metal scheduled for 1Q 2024. When fully ramped up with Line 1 and Line 2, Araguaia is forecast to produce 29,000 tonnes of nickel per year. Vermelho is at feasibility study stage and is expected to supply nickel to the critical metals market. Horizonte's combined 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 any planned acquisition of equipment, 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 ability of the Company to complete a positive feasibility study regarding the Vermelho Project 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, 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 any planned acquisition of equipment 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, the ability of the Company to complete a positive feasibility study regarding the Vermelho Project 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, including without limitation, the annual information form of the Company for the year ended December 31, 2022, and the Araguaia and Vermelho Technical Reports available on the Company's website <https://horizonteminerals.com/>. 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.