

Horizonte Minerals PLC Announces Update on Araguaia Nickel Project Construction

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HORIZONTE MINERALS PROVIDES UPDATE ON ITS ARAGUAIA NICKEL PROJECT CONSTRUCTION

LONDON, October 2, 2023 - [Horizonte Minerals Plc](#) (AIM:HZM)(TSX:HZM) ("Horizonte" or the "Company"), the nickel company developing two Tier 1 assets in Brazil, announces today that it has made good progress in completing the final detailed engineering and construction design for Line 1 of its 100%-owned Araguaia Nickel Project ("Araguaia" or "the Project"). This work, along with a comprehensive cost review, has resulted in changes to the design and execution scope, which are expected to increase the overall capital expenditure requirement by at least 35% (of current capex budget) and delay first production to Q3-2024.

Given the progress made to date with construction, the value of the Araguaia Line 1 Project and the upcoming delivery of the Feasibility Study on Araguaia Line 2, the Company continues to have strong support from its major partners. The Company is working on a plan with its various financial institutions together with the cornerstone shareholders for a financing solution to complete construction.

Construction work on site continues to progress well with all key engineering drawings issued for construction. Ore stockpiling activities commenced last quarter, and ROM build-up is progressing to schedule. The rotary dryer is now in place, with all shells aligned for final welding. Construction of the 126km, 230kV transmission line is well advanced, with all pylons erected and 118km of conductor cable installed. Construction of the water storage reservoir is also well advanced, with the initial sections of the water abstraction pipeline positioned and foundations poured for the river abstraction pump station.

To de-risk the operation, the final detailed engineering work has added additional scope items linked to the major equipment packages, made several enhanced design changes from the original engineering study (including changes to the water abstraction pipeline design and water storage reservoir), and has identified the requirement for additional civil works and quantities. Additionally, changes have been required with selected suppliers who have not been able to deliver to the project timeframe, which has added further cost pressures.

Accordingly, the Company engaged Reta Engenharia to undertake an independent review of the remaining capital expenditure and schedule, incorporating the change in scope, material and quantity variations, increased project duration to first metal and associated costs, and additional working capital requirements. The Company has also undertaken a detailed review of the ramp up and operational costs. The Company expects to publish an update by mid Q4-2023 once this review is complete.

The results from the Feasibility Study on Araguaia Line 2 remain on track to be published in Q4-2023. The combined production of Araguaia Line 1 and 2 is expected to be 29,000 tonnes per annum.

Jeremy Martin, CEO of Horizonte, commented:

"We continue to make solid progress with construction at Araguaia Line 1 and are confident that the Project is now significantly de-risked given the near-finalization of detailed engineering and procurement, together with the detailed review of the costs to project completion, ensuring successful delivery. Despite the anticipated higher capital requirement, Araguaia remains a Tier 1 asset that will deliver strong margins over its 28-year mine life once production commences next year. Moreover, the imminent completion of the Feasibility Study on Line 2 will demonstrate Araguaia's capacity to support an annual production of 29,000 tonnes per annum.

We appreciate the strong support provided by both local stakeholders and cornerstone shareholders, as we

work towards a financing solution to complete construction."

Further updates will be provided in due course. This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014, as retained in the UK pursuant to the European Union (Withdrawal) Act 2018.

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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 and 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 24,000 tonnes of nickel and 1,250 tonnes of cobalt to supply the EV battery 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.

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