Horizonte Minerals PLC Announces Corporate Update

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LONDON, March 28, 2024 - Horizonte Minerals Plc (AIM:HZM)(TSX:HZM) ("Horizonte" or the "Company") provides an update of progress on the refinancing efforts of its 100%-owned Araguaia Nickel Project ("Araguaia" or the "Project"). Further to the Company update on 19 February 2024 in which Horizonte announced the Cost to Complete ("CTC") capital expenditures required to complete the construction of Araguaia, commission the Project, and deliver first metal (together, "Project Completion"), the Company is providing a further update in relation to the refinancing amount required to fully fund the Project, progress on discussions with relevant financial stakeholders and deferral of interest payments.

FULL FINANCING UPDATE

The CTC estimate of US$454 million announced on 19 February 2024 is the capital required for Project Completion. As explained in that announcement, a higher amount would be required to fully fund the Project when including ramp-up and contingencies.

Horizonte estimates the full funding required to complete construction and bring the operation to positive cashflow is US$567 - 592 million. This consists of the Project CTC of US$454 million, as announced on 19 February 2024, plus US$89 million of pre-production costs, ramp up costs, general & administration and working capital required to bring the operation to positive cash flow, and US$25 - 50 million that relates to transaction costs and a minimum cash contingency.

In addition to these costs, the Company will need to reach a restructuring solution for the group's existing liabilities which as of 15 March 2024 were ~US$418 million, comprised of US$241 million in senior debt, a US$27 million cost over-run facility ("COF"), US$68 million to trade creditors and US$82 million of convertible loan notes, and a restructuring solution for its existing royalties arrangements. Reaching a potential restructuring solution with existing creditors may increase the full funding requirements.

The Company continues to hold discussions to restructure the group's debt in conjunction with seeking a fully funded solution and is actively engaging existing and new potential investors. In connection with such discussions, the Company is continuing to provide information to senior lenders, and existing and new potential investors (under confidentiality agreements), including the full financing amount. As previously announced, the Company expects that it will require additional interim funding around mid-April to implement such full funding solution.

Existing shareholders should note that whilst the Company continues to work closely with its major shareholders and senior creditors on a full funding solution, there can be no guarantee that a refinancing and restructuring solution will complete (including any interim funding). Even if it does, the conclusion of any such solution is unlikely to lead to a positive outcome for existing shareholders, noteholders and creditors of the Company. Further, if it becomes apparent that an interim and/or a fully funded solution is unlikely to be found, the Company will have to look at all potential options which could include putting the group's projects in care and maintenance, liquidation of assets, and or starting formal administration procedures in the UK in relation to the Company.

By way of background and further information, the Company informs that in November 2023, Araguaia Níquel Metais Ltda (" ANML "), the Company's Brazilian subsidiary, engaged Moelis & Company Assessoria Ltda in Brazil to act as financial advisors to ANML in connection with the restructuring of its debt and the Company has also recently engaged FRP Advisory Trading Limited in the UK to act as advisors to the Company and its board of directors in connection with restructuring options and contingency planning.

DEFERRAL OF INTEREST PAYMENTS

As announced on 1 March 2024, the existing senior lenders agreed to extend waivers including the deferral of interest originally due 31 December 2023 to the 29 March 2024 (subject to certain conditions). The Company is in discussions with senior lenders and has requested that they extend such waivers until the end of April 2024. Whilst the Company expects that it will reach an agreement with senior lenders on the request for extension, there can be no guarantee that senior lenders will consent to further extend the current waivers.

If no extension is agreed, deferred interest originally payable at the end of December 2023 will become immediately due and payable on 30 March 2024 and interest payable at the end of Q1 2024 will become due and payable on 1 April 2024. If these amounts remain unpaid after becoming due and payable, the senior lenders will be entitled to: (a) immediately cancel the undrawn portion of the senior debt facility; (b) declare all outstanding senior debt amounts (including interest) immediately due and payable; and/or (c) seek to enforce the senior lenders' security, which encompasses all or essentially all of the group's assets.

As announced on 14 March 2024, ANML has been granted an injunction (Brazilian Precautionary Measure) giving it a 60-day stay period against the enforcement of debt and certain security held by senior lenders and creditors, in order to negotiate and work on a restructuring plan to be approved by its creditors.

As a guarantor of ANML's debt under the senior loan facilities, if claims are made in relation to the guarantee given by the Company, the Company may also need to consider applying for protective measures that may be available to it, or alternatively appoint administrators for the Company in the UK.

The disclosures contained in this announcement should not be regarded as an indication that the Company or its representatives consider the forecasts or projections contained herein to be a reliable prediction of future events, and such forecasts and projections should not be relied upon as such.

Further updates will be provided in due course.

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ABOUT HORIZONTE MINERALS

Horizonte Minerals Plc (AIM:HZM)(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 both 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 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.

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