

LA MANCHA FUND SUPPORTS HORIZONTE MINERALS WITH ADDITIONAL US\$25M INVESTMENT

London, 07 October 2022 - La Mancha Fund SCSp (“La Mancha” or the “Fund”), a Luxembourg-based fund advised by La Mancha Resource Capital LLP (“LMRC”), is pleased to announce the participation of its wholly owned subsidiary in a US\$80 million fundraise (“the Fundraise”) for Horizonte Minerals plc (“Horizonte” or “the Company”) via a placing. La Mancha invested a total of US\$25 million in the Fundraise at a price per share of GBP90.50 pence. The Fundraise was oversubscribed, leading to Horizonte increasing the Fundraise from US\$70 to US\$80 million and scaling back allocations.

Horizonte’s flagship Araguaia Project (“Araguaia”) in Brazil remains on track to deliver its first nickel in Q1/2024 with overall project progress of approx. 16% as of 30 September 2022, and site construction activities moving forward in accordance with the Company’s planned construction schedule. Notwithstanding strong progress to date, the project has faced cost pressures driven by global inflation, a robust construction and mining environment in Brazil and rising interest rates, amongst others.

Horizonte now expects capital expenditure to be US\$537 million, compared with the US\$477 million originally budgeted in November 2021, implying a 12.6% cost increase, which compares well to industry norms in the current inflationary environment. Whilst the majority of this increase is driven by inflationary pressures, the Company has taken the opportunity to also invest in improvements to the project specification, which La Mancha believes will reduce risk associated with the project’s construction. La Mancha is encouraged by the important work Horizonte’s construction team has undertaken to streamline the project’s capex.

As a long-term investor, La Mancha aims to support Horizonte’s management in unlocking potential at Araguaia as part of its journey to becoming a large-scale, globally significant nickel producer. This follow-on investment is in line with La Mancha’s mandate to reinvest and help its portfolio companies achieve growth ambitions across every stage of the lifecycle, including when economic and financial conditions demand.

Vincent Benoit, Partner & co-Chief Investment Officer of LMRC, commented:

“We believe in the future of nickel as a critical metal in the clean energy transition and continue to see the value which Horizonte creates by providing this exposure for the fund’s portfolio. Since the initial investment, we have been pleased with the strength of the management team and, in particular, its efforts in keeping Araguaia’s construction timeline



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on schedule whilst also ensuring cost increases were kept to a minimum in this challenging environment. We look forward to positive updates as the project develops towards first production.”

- ENDS -

About La Mancha Fund SCSp

La Mancha Fund SCSp (the “Fund”) is a Luxembourg-based deep value fund advised by La Mancha Resource Capital LLP dedicated primarily to investments in the precious and energy transition metals space. The Fund’s general partner is La Mancha Capital Management GP S.à r.l. which has delegated investment management over the Fund’s investments to Notz, Stucki Europe S.A., which has further delegated portfolio management of the Fund to G10 Capital Limited.

La Mancha Resource Capital LLP is an Appointed Representative of G10 Capital Limited, which is authorised and regulated by the Financial Conduct Authority (FRN 648953).

About Horizonte Minerals

Horizonte Minerals plc (AIM & TSX: HZM) is developing two 100%-owned, tier one 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 in construction. The project will produce 29,000 tonnes of nickel per year to supply the stainless steel market. Vermelho is at feasibility study stage and will 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 50,000 tonnes of nickel per year positions the Company as a globally significant nickel producer. Horizonte is developing a new nickel district in Brazil that will benefit from established infrastructure, including hydroelectric power available in the Carajás Mining District.

All facts and figures referring to Horizonte have been sourced directly from the company.

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