



H O R I Z O N T E
M I N E R A L S P L C

2021 SUSTAINABILITY REPORT

**BUILDING OUR SUSTAINABILITY
VALUE AGENDA**



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2021 HIGHLIGHTS

ZERO

fatalities since Horizonte's inception

ZERO

lost-time injuries in 2021

ZERO

work-related transmissions of Covid-19 in 2021

ZERO

reportable incidents, significant spills or significant fines

ZERO

community complaints

100%

employees completed anti-corruption training in Jan-22

BRL 38M

Brazilian Reais contributed to Brazilian economy

BRL 3B

Brazilian Reais estimated for investment into Brazil via Araguaia over next 2 years

97%

of Brazil-based team are Brazilian

25%

directors are female

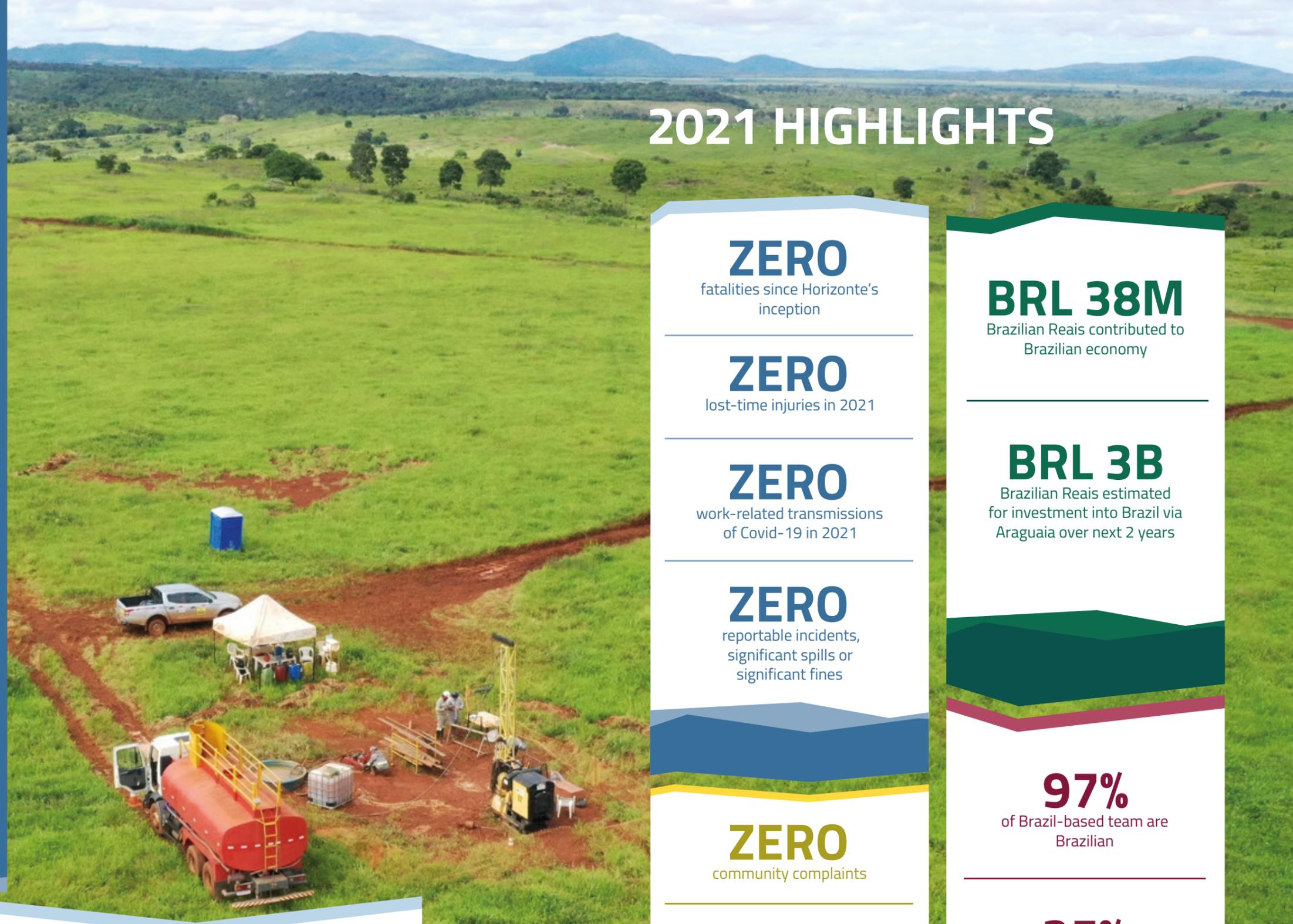
This Sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 'Core' option with additional elements to prepare for future disclosure in line with the United Nations Global Compact (UNGC) reporting requirements, the Sustainability Accounting Standards Board (SASB) Metals and Mining Sustainability Accounting Standard and the Mining Local Procurement Reporting Mechanism (Mining LPRM). This is the 3rd annual sustainability report published by Horizonte Minerals plc.

The report scope, boundaries, and performance data cover Horizonte's development activities in Brazil and, unless otherwise indicated, do not consider the company's exploration or non-mining subsidiaries.

Except where indicated otherwise (including with respect to certain initiatives advanced by the company in early 2022 described herein), all information and performance data in the report are current as of December 31, 2021, and unless noted otherwise, all currency amounts are stated in U.S. dollars.

The indexes against the disclosure standards and additional performance data tables are included as appendices in this report.

We welcome feedback on this report and our reporting in general. Please direct any feedback on the report to info@horizonteminerals.com.



HORIZONTE AT A GLANCE

Horizonte Minerals plc. (HZM or Horizonte) is a nickel company listed on the AIM market of the London Stock Exchange and the Toronto Stock Exchange. Horizonte is focused on developing two, 100% owned, tier-1, nickel projects in Pará State, north Brazil. The region has well-developed infrastructure, including roads, rail and hydroelectric power as a result of its proximity to the Carajás Mining District. When both Araguaia and Vermelho are in operation, Horizonte will become a major nickel producer supplying the stainless steel and battery markets. Headquartered in London the Company is led by a management team with extensive experience operating in Brazil and the nickel sector. The Company also has a regional office in Belo Horizonte, Brazil, as well as a project site office at Conceição do Araguaia.

In November 2021 we announced a proposed \$633 million fundraising comprised of approximately \$197 million of new equity, \$65 million of convertible loan notes, a \$25 million cost overrun debt facility and \$346 million from a new senior secured project finance debt facility, for the development of the Araguaia Nickel Project (Araguaia). This fundraising positions Horizonte to commence Araguaia's construction in 2022. To align with these material achievements in the company's development, we are also integrating new elements into our sustainability disclosures to align with additional international standards relevant to the increasing 'maturity' of our business.



- 1 Araguaia Ferronickel Project
- 2 Vermelho Nickel Cobalt Project
- 3 Belo Horizonte regional office
- 4 London Corporate Office

➤ **57%**
of all mined nickel
is still in use
today

➤ **68%**
of all nickel from
consumer products is
recycled and a further
15% is reused in
carbon steel

Nickel gives stainless steel its strength and resistance to corrosion.

Two-thirds of all nickel mined is used to produce stainless steel and use in battery applications is predicted to increase substantially.

Stainless steel is a critical component of renewable energy infrastructure including wind turbines as well as electric vehicle components. It is also a key component of medical equipment, electronics, food and marine processing and many other items we use today.

NICKEL

CRITICAL TO THE CLEAN ENERGY TRANSITION AND CONTRIBUTING TO A CIRCULAR ECONOMY.

MESSAGE FROM THE CEO



Jeremy with William Fisher (Board Chair) and Mike Drake (Head of Projects)

Following the United Nations Conference on Climate Change (COP26) in Glasgow last year and increasing concerns over future energy supplies arising out of the ongoing conflict in Ukraine, the move towards clean energy has gained significant momentum. The clean energy transition is more metal and mineral intensive than the carbon-based economy and, as a result, we will see significant demand for related resources at an unprecedented pace. One of these “critical” metals is nickel. Nickel is a key component of many renewable energy technologies – via stainless steel – as well as new battery technology. Following decades of underinvestment in new nickel projects this increasing demand is being met by declining supply, particularly supply that is low-cost and sustainable.

Horizonte is one of the few companies that has invested in developing new nickel projects over the past 10 years, and we now are positioned as the next major nickel producer. Completing the \$633 million funding package for the Araguaia project in 2021 was critical to Horizonte being able to realise this vision and, our sustainability credentials were central to this successful achievement.

Horizonte has always been committed to the highest environmental, social and governance standards. This is evidenced by the sustainability of our activities to date. Beyond this our commitments for the future have been stress-tested through the rigorous due diligence by the industry’s leading lenders and investors and not only have we been successful in funding Araguaia, our first mine, but we have also secured a \$25 million royalty agreement to advance Vermelho, our second project. Notably, many of our investors are themselves signatories to the Principles for Responsible Investment (PRI).

Not only has Horizonte been building relationships in the region of our operations for over a decade, in 2021 we launched our integrated management system which will assist Horizonte in its transition to the construction phase at Araguaia. We laid the foundations on which we are now building a major, low-cost nickel producer and our sustainability team has been central to this extensive preparatory work. Building new projects with sustainability as one of the core areas has enabled Horizonte to plan for the future, utilising new technology, methodology and innovation from the outset.

With construction now underway at Araguaia our sustainability focus for the year is implementation. With an increasing workforce health and safety is our priority. We were pleased to recently reach 0.5 million hours worked without a lost time injury at the Araguaia project. With increasing activity on and around site, the relationship with our communities is evolving. In 2022 we will initiate our Local Development Agenda in conjunction with local businesses, community representatives and local government. The Local Development Agenda aims to ensure our host communities can develop in a sustainable way that promotes equal opportunities and delivers shared value.

Leading our transition into development, are activities to reflect the maturing corporate governance within Horizonte. On behalf of the Board I am pleased to welcome Gillian Davidson and Vincent Benoit who bring with them a wealth of experience, complementing the expertise of our other Board members and strengthening our diversity, as we embark on our company building strategy, build two major nickel projects, and deepen our commitment to sustainability.

The first quarter of 2022 has already been incredibly dynamic. It is exciting to see a significant increase in activity at Araguaia with our growing Brazilian team that includes sustainability experts. I look forward to reporting on 2022 - a year destined to be full of major achievements for Horizonte!

Jeremy Martin
Chief Executive Officer

OUR VALUES

Health & Safety

Health, safety and well-being is at the forefront of all our operational activities.

Commitment & Cooperation

A united team is Horizonte’s greatest asset.

Responsibility & Accountability

We take responsibility for our decisions, actions and outcomes as individuals and as a collective.

Integrity & Respect

Operating with integrity and respect is critical to protecting and promoting our reputation for best practice.

Sustainability & Innovation

Developing a sustainable business requires a true understanding of the constantly changing landscape in which we operate.





SUSTAINABLE DEVELOPMENT GOALS

SINCE 2019 HORIZONTE HAS WORKED TO ALIGN ITS SUSTAINABILITY ACTIVITIES TO CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS). IN 2022 WE INTEND TO COMMENCE THE SETTING OF GOALS ALIGNED WITH THE UNITED NATIONS GLOBAL COMPACT AND SDG INDICATORS.

The 17 SDGs are an inter-connected set of goals, representing a call to action for all countries – developed and developing – in a global partnership.

They recognize that ending poverty and other absences of basic necessities in society, must be synchronised with strategies to reduce inequality, improve health and education, and promote economic growth, whilst preserving our precious and limited natural resources of water, air and biodiversity.

Making progress against the SDGs requires wide collaboration and Horizonte's activities have direct positive impact to several of the SDGs as well as the potential to impact negatively if not managed in a considered way. Many of our sustainability activities as we have worked towards development of our projects have aligned with the goals, but it is as we enter the next phase of our evolution that we have real potential to enhance positive outcomes supporting the SDGs. Reflecting this next phase of our growth, we intend to commence the setting of goals aligned with the United Nations Global Compact and fully integrate the SDGs into our policy development and processes, so that making a positive contribution becomes an increasing part of the way we do business.



- Effective COVID-19 management plan
- Support for community COVID-19 response
- Health & Safety management processes development
- Extensive health & safety training
- Internal health & safety reporting tools and guidance
- Social impact assessments for projects
- Hydrological and hydrogeological investigations
- Water quality monitoring programs



- Processes to increase female workforce participation
- Partnerships towards employment and skills development
- Vulnerable persons identification processes
- Widely accessible 'Talk to Us' (fale com a gente) engagement and whistle blower systems



- Ongoing investment in project development
- Focus on local procurement
- Local livelihoods programs
- Support for local community projects
- Robust grievance management mechanisms



- Integrated management system implementation
- Environmental Control Plans
- Comprehensive baseline monitoring
- International standard impact assessments
- Studies on opportunities to avoid, reuse and recycle processing by-products
- Closure plan development



- SDG alignment of sustainability programming
- Board level sustainability oversight
- EITI aligned reporting
- Transparent ESTMA and tax disclosures
- Follow GRI reporting standards
- Active community engagement
- Stakeholder engagement plans
- Anti-corruption training for all employees
- Implementation of enhanced enterprise resource planning (ERP) system and tools

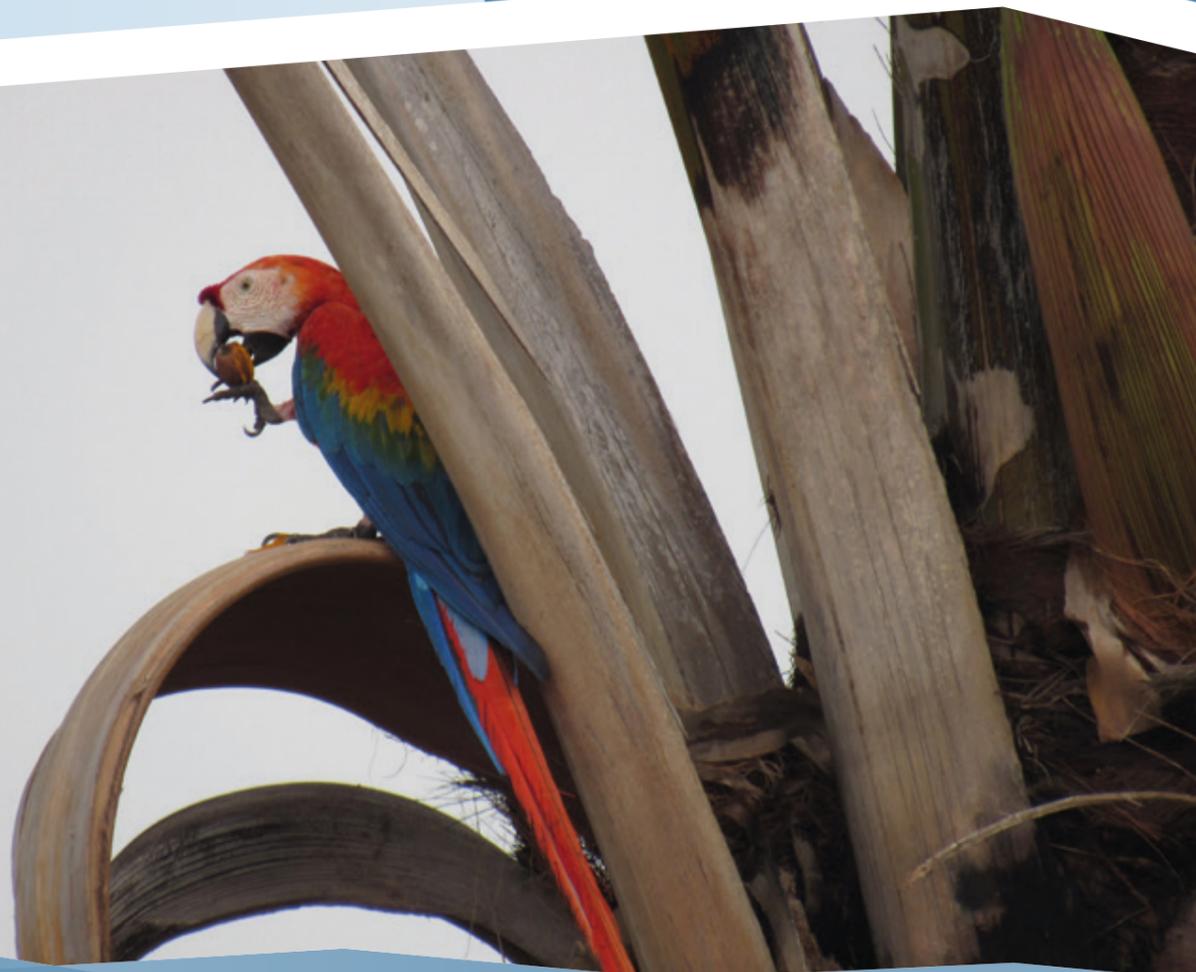


United Nations Global Compact

'IN THIS OUR 3RD SUSTAINABILITY REPORT AND TO COINCIDE WITH THE COMMENCEMENT IN 2022 OF THE CONSTRUCTION OF OUR ARAGUAIA NICKEL PROJECT, I AM PLEASED TO SHARE OUR FIRST GOALS ALIGNED WITH THE UNITED NATIONS GLOBAL COMPACT INITIATIVE.'

JEREMY MARTIN, CEO

The United Nations Global Compact is the world's largest corporate responsibility initiative, with almost 16,000 private sector signatories in 162 countries worldwide. It consists of ten principles in the four areas of labor, human rights, environment, and anti-corruption.



2022 UN GLOBAL COMPACT GOALS

Compact area	2022 Goals	SDG
Human Rights	Update the Horizonte Governance Framework to reflect the next phase of company development for endorsement by the Board of Directors.	SDG 5, 10, 16
	Develop a Policy on Security aligned with the Voluntary Principles on Security and Human Rights.	SDG 5, 10, 16
	Develop an Inclusion and Diversity Policy and programming for the company.	SDG 5, 10
	Zero legitimate human rights complaints against Horizonte.	SDG 5, 10, 16
	Continue to advance our programs on local procurement and commence disclosure in line with the Mining Local Procurement Reporting Mechanism.	SDG 1, 8, 10
	Review supply chain systems and policies to strengthen these ahead of construction and operations.	SDG 5, 9, 10, 16
Employees (Labor)	Zero fatalities and serious potential injuries.	SDG 3
	Maintain rigorous adherence to our COVID-19 management protocols and procedures.	SDG 3
	Commence development of a Horizonte Health and Safety strategy and policy.	SDG 3
	Continue implementation of construction safety program including hazard and operability studies.	SDG 3
	Develop programming to maintain and enhance our successful levels of female representation within the workforce ahead of operations.	SDG 4, 5, 10
Environment	Zero reportable environmental incidents.	SDG 6, 12, 13, 14, 15
	100% compliance with air quality, noise and vibration, and water regulatory requirements.	SDG 6, 12, 13, 14, 15
	Zero significant spills.	SDG 6, 12, 13, 14, 15
	Develop an Environmental Policy as the 'umbrella' for extensive and detailed Environmental Control Plans.	SDG 6, 12, 13, 14, 15
	Advance development of our net carbon neutral strategy and associated technical studies.	SDG 6, 12, 13, 14, 15
Anti-corruption	Develop an enhanced stand-alone Anti-corruption Policy to complement the Business Integrity Policy and other governance systems.	SDG 16, 17
	Enhance our existing disclosures through alignment to the Extractive Industries Transparency Initiative (EITI).	SDG 16, 17
	Commence development of systems to identify conflict of interest within the business ahead of rapid workforce expansion.	SDG 16, 17
	Enhance transparency of our activities by disclosing against international standards of relevance to the mining industry and seeking assurance of our sustainability reporting.	SDG 16, 17

GOVERNANCE

As our highest governance body, the Board of Directors of Horizonte is responsible for establishing the corporate governance framework of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. In performing its responsibilities, the Board acts in the best interests of the Company and its shareholders, acting honestly, fairly and diligently and in accordance with the duties and obligations of Horizonte's Constitution and the law.

The Board has a written Terms of Reference to provide a framework for effective operation including composition, functions, responsibilities and obligations; interaction between the Board and management; and authorities delegated by the Board, to Board Committees and management.

In 2021 the Board commenced a phased and measured succession process to ensure it has the right balance of skills, experience and diversity necessary for the Board to effectively govern Horizonte's rapid evolution. The succession plan prioritises continuity and stability while also balancing the need for governance and growth. Cascading from this process the Company announced in March 2022 the appointment of Gillian Davidson as an Independent Non-Executive Director and Vincent Benoit as Non-Executive Director. Horizonte continues to adhere to the Quoted Company Alliance's (QCA) Corporate Governance Code for Small and Mid-Size Quoted Companies and will continue to evolve its Board in alignment with company needs and diversity best practice with the implementation of a Board Sustainability Committee targeted in 2022.

The Board and all levels of management are fully committed to maintaining and enhancing corporate governance as we transition from a junior developer into a sustainable nickel producer. Within Horizonte we believe good governance is the collective responsibility of all team members as excellence in governance is integral to our social licence to operate and sustainability of our business.

As we grow, the Company will continue to regularly review our governance practices and corporate governance policies to reflect the strategy of the Company, current legislation and best practice. Reflecting this, in 2021 we:

- ☞ Completed an extensive array of due diligence by a leading suite of banks and institutional investors
- ☞ Continued implementation of the full suite of IFC Performance Standards and Equator Principles
- ☞ Increased transparency with the publications of our Business Integrity Policy
- ☞ Published our first standalone Human Rights Policy as well as summaries of our Environment and Social Impact Assessments.

Wide suite of international ESG standards applied across projects

Human Rights Policy published

ESIA summaries published

SUSTAINABILITY VALUE AS A DRIVER OF STRATEGY

Horizonte aims to create long-term value for our shareholders with sustainability integral to business decision making. Genuine sustainability goes beyond social licence to operate – it is about lasting benefits to society and the environment. We commenced internal consultation on our strategic sustainability in 2021 with future strategy development to incorporate 'road maps' to leadership in our arenas of materiality, currently recognised as: water, biodiversity, greenhouse gas emissions, sustainability frameworks, stakeholder engagement and community relations, employee wellbeing, land acquisition and resettlement and social investment.



INTERNATIONAL STANDARDS, FRAMEWORKS AND GUIDELINES

We understand that transparent reporting is of limited value if it is not aligned with internationally recognised standards. Despite the pre-production nature of our operations, Horizonte already operates in line with many host-country and international reporting guidelines and standards.

The following have been applied to the Araguaia Project:

Reporting	☞ Global Reporting Initiative
Environment	☞ Equator Principles 4 (EP4) (recently updated in July 2020) - principles 1-10 applied ☞ CONAMA Brazilian Environmental Legislation ☞ Brazil Greenhouse Gases Protocol Program ☞ The World Bank Group (WBG) Environmental Health and Safety (EHS) Guidelines (2007) ☞ IFC EHS Guidelines for Mining (2007)
Stakeholder engagement	☞ International Finance Corporation Sustainability Framework, in particular the IFC Performance Standards (2012) - excepting Principle 7 which is not applicable to Araguaia ☞ International Council on Mining and Metals Stakeholder Research Toolkit (2015) ☞ International Organisation for Standardisation (ISO 14001: 2015) (ISO 45001: 2018) ☞ The Equator Principles IV (July 2020) ☞ IFC / EBRD Workers Accommodation: Processes and Standards (2009)
Resettlement	☞ IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement ☞ Equator Principles III & IV ☞ Brazilian land acquisition regulations
Human rights	☞ United Nations (UN) Guiding Principles on Business and Human Rights; ☞ UN Declaration on Human Rights; ☞ International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work; ☞ UN Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
Health and safety	☞ World Bank Group Environmental Health and Safety Guidelines (2007) ☞ IFC Environmental Health and Safety Guidelines for Mining (2007) ☞ CONAMA Brazilian Health & Safety Legislation ☞ IFC / EBRD Workers Accommodation: Processes and Standards (2009) ☞ IFC - Performance Standard 4: Community Health, Safety, and Security ☞ International Organisation for Standardisation ISO 45001: 2018
Governance	☞ London Stock Exchange Alternative Investment Market Rule 26 ☞ Toronto Stock Exchange National Instrument 43-101 ☞ Quoted Companies Alliance Corporate Governance Code ☞ Extractive Industries Transparency Initiative ☞ Extractives Sector Transparency Measures Act ☞ The UK Bribery Act ☞ Brazilian Law N° 12,846/2013 - Antitrust Law ☞ Global Reporting Initiatives (GRI) ☞ Good International Industry Practice (GIIP) Guidance ☞ International Council on Mining and Metals (ICMM) Mining Principles

MESSAGE FROM HEAD OF ESG



Katie Millar, Head of ESG and Communications

A sustainable business is one that thrives throughout a changing social or economic landscape. When I started my journey with Horizonte over seven years ago, I set out a vision for sustainability in the Company. It was a relatively simple one – that Horizonte become a partner of choice. A partner of choice for host communities where we have projects, a partner of choice for Government agencies, an investment of choice for investors and an employer of choice so that we may attract top talent.

To see this vision through, we divided our work into three key pillars – social development; economic development; and care and respect. Since this initial vision, we have evolved and matured our mechanisms to deliver robust environment, social and governance (ESG) systems. Today we have nine key materiality topics, which were developed through a vigorous materiality process in our 2020 Annual Sustainability Report and these same materiality topics have been reinforced in our engagements with stakeholders throughout 2021.

Integrating good sustainability practices takes time. By making sustainability a priority from Horizonte's early days, the Company was well placed to advance its assets. Horizonte was able to demonstrate its commitment to good ESG practices to its investment partners in 2021 as made evident from years of community engagement, baseline data collection, Integrated Environment and Social Impact Assessments (ESIA) to IFC Standards and a highly qualified in-country sustainability team. This work, combined with the quality of our Araguaia asset saw the Araguaia project secure its full finance package.

Our sustainability vision for the Vermelho project has also been supported through the investment of US\$25M from our private equity investors, Orion, to support the Feasibility Study and ongoing ESIA.

Horizonte aims to create long-term value for our shareholders. To create this value, we embed sustainability value and economic value in the business decisions we make.

Sustainability value goes beyond our social licence to operate – it is our positive contribution to both society and the environment.

We measure our *sustainability value* through our achievements in bringing real and positive results to our employees, local communities, broader society/economy, business partners, the physical environment and our fauna and flora. In this report we will look at how the team is building stretch-targets across the whole sustainability value chain to challenge ourselves to seek real tangible benefits for communities and environments where we operate and measure our performance in doing so.

Our Vision

Horizonte's vision is to become a globally significant producer of low-cost, sustainably sourced nickel. Reflecting on that vision, I see Horizonte as a growing business, building talent and delivering outstanding results to stakeholders despite challenges.

This is a business with purpose, and we have attracted a team who share our values, are entrepreneurial and who work collaboratively to develop innovative solutions to complex sustainability challenges. By purposefully integrating sustainability into our business approach, Horizonte is well-placed to a participate in the growing demand for climate smart metals.

Katie Millar

2021: A YEAR OF SUSTAINABILITY ACHIEVEMENTS

MATERIAL TOPIC	2021 OBJECTIVES	ACHIEVEMENT
PEOPLE	Maintain strong health & safety record	<p>We were proud to have had zero fatal or lost time injuries or illnesses in 2021.</p> <p>The Company enhanced our specialist expertise with the addition of dedicated health and safety professionals based at the Araguaia project site.</p> <p>Horizonte has partnered with a global security intelligence provider, to guide evolution in our security and emergency management processes.</p>
ENVIRONMENT	Improve our climate risk management	<p>In 2021, Horizonte and its Board of Directors participated in a climate change transition risk assessment, identifying risks in market, policy, technology and reputation arenas for the company. Studies into alternatives to further reduce the expected greenhouse emissions from the Araguaia operation were also advanced.</p>
SOCIAL	Obtain Araguaia land access through respectful and human rights cognisant processes	<p>Horizonte successfully obtained access to 100% of the lands required for the Araguaia project within the project payback period.</p> <p>The Company also partnered with ERM to implement a Resettlement Action Plan with local residents, which included collective engagement and bargaining.</p>
GOVERNANCE	Increase transparency	<p>Horizonte increased transparency significantly in 2021 through the publications of its Business Integrity Policy, first standalone Human Rights Policy and summaries of its Environment & Social Impact Assessments on the Company website.</p>

MATERIAL SUSTAINABILITY TOPICS

Based on our materiality assessment process, nine material topics were identified in 2020. In this report the level of detail reflects the relative importance of these topics and Horizonte's stage of development.

Some topics are discussed in this report that are not material topics but are considered of significant importance to business, its current activity and long-term strategic objectives.

ENVIRONMENT

GOVERNANCE

SOCIAL

PEOPLE

1. Water

Water is a critical resource for both Horizonte and our communities and it has been identified as one of the main priorities as a shared resource in the region.

2. Biodiversity

Whilst our projects are located mostly on pastoral lands, it is important that the company seeks to manage and mitigate impacts on local fauna and flora. Our goal is to have a net positive impact on biodiversity.

3. GHG Emissions

With renewably-sourced Scope 2 energy, Horizonte is focused on further opportunities to avoid or reduce GHG emissions, in support of carbon-neutral economies.

4. Disclosure and standards

Delivering our operations compliant with Brazilian Legislation and also in line with internationally recognised sustainability frameworks and standards ensures we are transparent, accountable and measurable.

5. Stakeholder engagement

Open and honest engagement with all stakeholders strengthens our corporate governance, improves our reporting and adapts our strategies in line with changing environment as we work to deliver value to all our stakeholders.

9. Socioeconomic benefits

Our operations are catalysts for local socio-economic development, both directly and indirectly. Effective inter-dependent enterprises ensure we deliver shared value.

8. Land acquisition and resettlement program

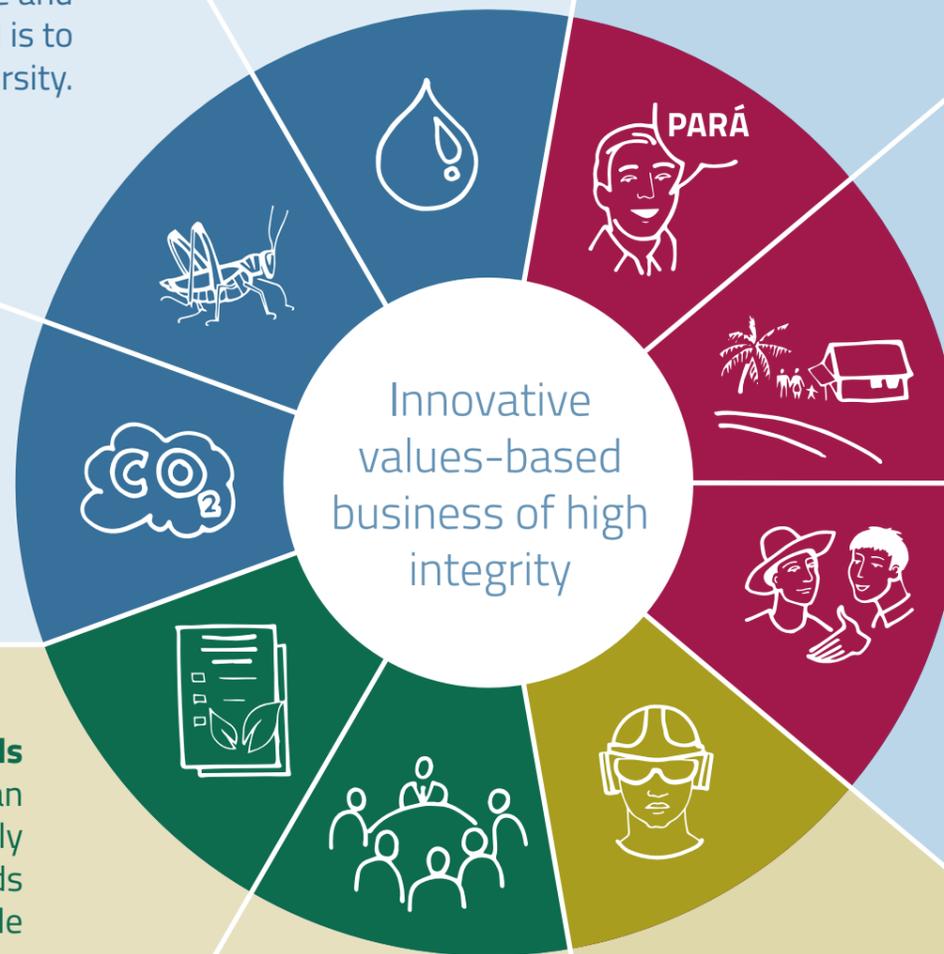
Families currently living within the footprint of our future operations are some of the most affected. Horizonte is committed to respecting the rights of those families in a transparent and participative manner.

7. Community relations

Nurturing strong, proactive and collaborative relations with our communities is critical to maintaining our social licence to operate and securing land access.

6. Employee wellbeing

The health, safety and wellbeing of our employees is one of our values and therefore at the forefront of our operations.



MESSAGE FROM HEAD OF PROJECTS

2021 was a transformational year for all of us at Horizonte Minerals. After a comprehensive due diligence process, we secured a \$633 million funding package to fully fund Araguaia 2-year construction, and signed a \$25 million royalty agreement with Orion to progress development of our Vermelho project through feasibility study and permitting, following our progress in 2021 on Vermelho's environmental and social impact assessment.

Also last year we successfully mobilised the Araguaia project team in Brazil, composed of energetic professionals with extensive experience in major mining project implementation, particularly in the nickel industry. In 2021 we also delivered Araguaia pre-construction activities, such as environmental monitoring, analysis and reporting to maintain and renew our permits, progressing engineering design, finalising the project work plan, documenting and employing our standardised work practices, strengthening community engagement and advancing our resettlement plan, enabling us to establish ourselves for growth in a sustainable manner.

A range of safety and health procedures were developed last year, as we work towards preparing ourselves to carry out Araguaia mobilisation and construction. Several measures to prevent infection from Covid-19 amongst our employees and contractors were implemented, including daily check-list with temperature assessment and weekly Covid-19 testing, in addition to raising awareness of the importance of the vaccine and monitoring vaccination rates. While Brazil unfortunately had a tragic level of infections and deaths due to Covid-19 in 2021, at Horizonte we achieve something remarkable: zero workplace transmission detected since we re-opened our offices in June 2021. Our protocol to prevent Covid-19 infection is still in place, being updated to meet requirements.

In 2021 we successfully concluded the baseline study for all environmental aspects in the Araguaia project region, encompassing air, water, soil, noise, fauna and flora, and completing the monitoring studies started in 2015. We also commenced studies on how to avoid or reduce greenhouse emissions from Araguaia during operations, results of which will inform development of the Company's climate change and carbon strategy, including how we may contribute to the Pará State's own efforts to become carbon neutral by 2040.

As our projects are located in areas that have experienced widespread human impacts including deforestation, we have the opportunity to protect remnant vegetation and water source areas and establish ecological corridors for biodiversity enhancement. Recognising water as a crucial resource, in our design for Araguaia we have targeted to recirculate 90% of the water to be used and we plan to abstract the water during the rainy season, when water is plentiful.



Mike Drake, Head of Projects

Responsible mining activity is a great generator of opportunities to enable the host community to prosper. In a region with little mining historically like Araguaia, this can be transformational. We have engaged with the local community to ensure they are prepared to take these opportunities. We have programs in place to train local people to work in the construction and in the operation phases, to source inputs locally, to promote entrepreneurship and to foster the tourism industry. All of these programs are aligned with a local development agenda which has progressed in partnership with the local community.

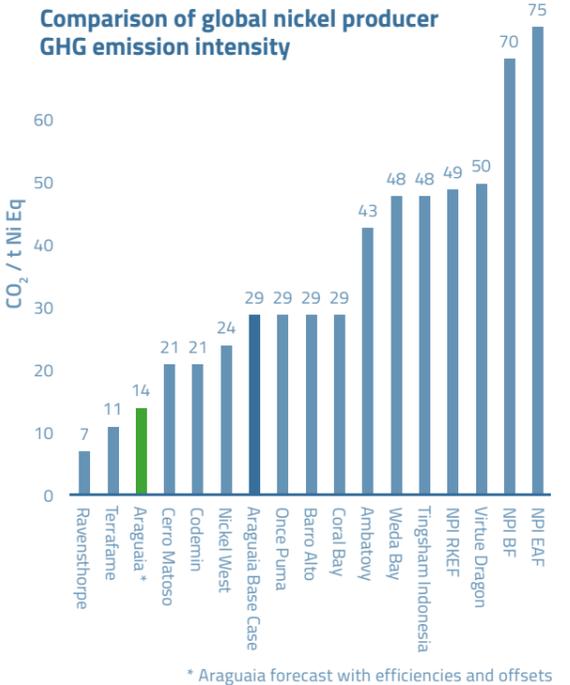
We see our projects as a catalyst to improve local regional infrastructure, education and health, which will benefit the community as a whole. Our entire team is working with this mindset and I am looking forward to sharing our positive contribution and effects on community development and environmental protection in our next report.

Mike Drake

ARAGUAIA: A CLIMATE SMART NICKEL PRODUCT

Some two thirds of global nickel production is used in the production of stainless steel, with ferronickel preferred because of its iron content. Araguaia is a Tier 1 ferronickel project with a nickel reserve that is high grade (1.7%). With a electricity supplied by hydro-electric power, Araguaia is well positioned to be a low-carbon source for the ferronickel industry.

Our studies to date have shown that even with no optimisation, Araguaia will produce significantly less emissions than its peers and with operational and fuel efficiencies, as well as carbon offsets, is set to become one of the most emission efficient producers in the world. In 2022 we will continue studies to identify further opportunities to contribute to a strategy to become net carbon neutral.



Information about comparables was obtained from public sources and has not been verified by HZM or its agents.



OUR PEOPLE

In Horizonte we say that, "we're only as good as our team". We put our success down to two major factors: the first – quality of our assets; the second – our incredible people who drive everything that Horizonte does.

A motivated and dedicated team has always been the key to our success. We have worked tirelessly to create a positive company culture through the implementation and promotion of our core values and our entrepreneurial spirit. Horizonte provides a safe, stimulating workplace where all employees are treated fairly and human rights are upheld.

In 2021 we were disappointed to learn that one of our business partners was subjected to harassment, by another business partner, in the course of conducting work for us. Our team promptly enacted our zero tolerance policy, resulting in the removal from site and dismissal of the harasser. Other corrective actions included incorporation of our values and zero tolerance policy in new starter induction training, as well as re-training for all existing workforce, issuance of non-conformance documentation to the business partner company, development and roll-out of an enhanced whistle-blower system supported by a confidential, free-call hot-line service ('Talk to Us'), amongst others.

Growing from a junior developer into a constructor and then operator of significant, long-life assets is challenging. As our workforce grows considerably, we are conscientious about maintaining our values and our agile nature, whilst acquiring high quality talent and building our systems that are fit for a major mining company.

By the end of 2021, Horizonte had tripled its workforce, and of our workforce in Brazil: 97% are Brazilian, 19% hail from Pará state and 12% are from our local communities. We are pleased to report that 30% of our workforce in Brazil and 38% of our workforce in London, which incorporates our Board of Directors, are female.

➤ **97%**
workforce in Brazil
are Brazilian

➤ **12%**
workforce are from
host communities

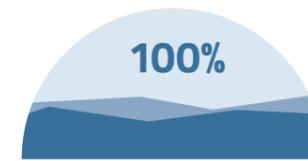
➤ **30%**
female workforce
in Brazil

HZM OWNERS TEAM BUILD-OUT

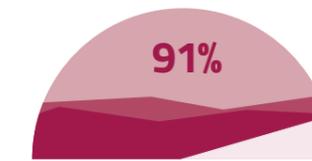
Horizonte advanced its Araguaia owners-team recruitment in 2021, with 100% of the senior leadership team in place, over 90% of subject matter experts in role and 86% of specialists/ analysts/ technicians hired.

The Company plans to onboarding the Vermelho Feasibility Study team in 2022, to ramp-up the production of a bankable feasibility study for our second Tier 1 asset.

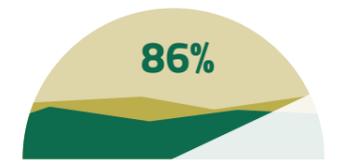
ARAGUAIA WORKFORCE RECRUITMENT



Leadership team



Subject matter experts



Specialists / Analysts / Technicians

In 2021 the Company established a project office in Belo Horizonte, situated close to engineering partners to encourage collaboration and cohesion in the Araguaia project development. All employees were provided with welcome kits and a streamlined onboarding system is in place to ensure quality and efficient induction of new starters.

Promoting team effectiveness a suite of procedures were implemented in the year, including a Short-Term Incentive Program and an Employee Assistance Program. Additionally a People Committee was inaugurated and tasked with attracting leadership talent.

DIVERSITY, INCLUSION AND EQUITY

Horizonte's People Plan includes a number of diversity & equity indicators and the Company is proud to have 30% female representation in our Brazilian workforce.

On March 8 of this year, Horizonte carried out a series of actions in celebration of International Women's Day recognising the value, enhanced decision making and productivity that diversity brings to the workplace. Activities included dialogue on the cross cutting theme across the business covering topics on inclusion, indicators and actions to enhance diversity.

2021 actions to enhance our objectives for inclusion and diversity included:

- ☞ Training for all employees and third parties on our values and zero-tolerance to harassment and discrimination.
- ☞ 'Talk to Us' and free call systems for reporting behaviours not aligned with our values.
- ☞ Diversity in local workforce: Implementation of a Local Labour Training Program with the target that 50% of training vacancies will be filled by women.



Female team members celebrate International Women's Day

Carla Aiala and Raimundo Pereira check air quality monitoring equipment

HEALTH & SAFETY

➤ **ZERO**

fatalities since Horizonte's inception

➤ **0.5M**

LTI free hours completed at Araguaia

➤ **254**

safety briefings & 22 safety inspections completed in 2021

Every employee and contractor should go to work knowing that they will come home safely. We're proud to report on another outstanding year of safety, with zero lost time injuries (LTIs) in 2021. The Araguaia project has recently reached half a million LTI free hours. Keeping health and safety at the forefront of our business is crucial, particularly given the rapid increase in staff throughout 2021 (tripling of the Araguaia owners team) and going into a significant ramp-up period with 2000 staff and contractors expected in the peak of the Araguaia project in 2022/2023.

Whilst our safety record has remained solid, in 2021 we observed an increase in light vehicle incidents as activities increased. Vehicle interactions are one of the primary causes of fatal injuries in the mining industry, so in recognition we commenced the development of our fatal risk prevention protocols that we will continue to embed in 2022.

Training on these controls, such as defensive driving training and the use of fall prevention equipment will enhance the capacity of our team and with recruitment for dedicated and experienced health and safety experts also well underway in 2021, we stand ready to commence Araguaia's construction.

We are also proud to report zero workplace transmissions of Covid-19 during 2021, the result of the implementation of extensive and rigorous controls for hygiene, sanitation, vulnerable persons protection, vaccination and adherence to these requirements by all team members.

2022 PLANS

- ☞ Train contractors in HZM's safety and health procedures
- ☞ Implement risk and change management systems at our construction sites
- ☞ Implement the program of learning from accidents at HZM
- ☞ Implement the 10 Golden Rules and Fatal Risk Prevention Protocols at HZM
- ☞ Mobilise and training of construction companies in our safety and health controls.



Raimundo Pereira with fall prevention equipment in front of HZM Golden Rules.

COVID-19 MANAGEMENT



Employees at Conceição do Araguaia office.

The ongoing context of the global pandemic has created challenges around the world. As an increasingly important employer, and catalyst for rural economic stimulus in our host communities, our continued operations are critical to the health and wellbeing of our workforce as well as the families that they support directly and indirectly. The early implementation of a rigorous and robust Covid management protocol enabled us to address these multi-faceted risks effectively - keeping people safe and well.

Elements of the approach included:

- A proactive Covid-19 management protocol that was modified in real time to respond (trigger action response plan) to changes in the pandemic;
- Restricted travel tailored to Covid-19 risk escalation and de-escalation;
- Daily health-check for Brazil workforce, including temperature check;
- Weekly Covid-19 Rapid Antigen Test (RAT) for Brazil based workforce;
- Mandatory RAT testing for all Brazil site and office visitors;
- Individual protection measures for staff, including during community engagement (mask, alcohol gel, social distancing) ; and
- Vaccination and awareness campaigns for employees and host communities.

In addition to our workforce campaigns, the company has provided extensive support to local community health providers with donations of medical equipment as well as donations of food parcels to over 300 families affected by the pandemic.

ZERO

work related Covid-19 transmissions in 2021

+10,000 medical items donated in support of community health efforts

Mandatory to be filled in before entering

WEEKLY COVID-19 TESTS

for Brazil based workforce

100% of employees fully vaccinated in 2021

Daily self-diagnosis of COVID-19 checklist

Also available at: horizonteminerals.com¹

If you do not have access to the internet, fill in the paper form and hand it to the health and safety team

¹ Assessment links protected for privacy reasons

Para ajudar a atenuar os efeitos da pandemia, a Horizonte Minerals está doando materiais de saúde para a Prefeitura de Conceição do Araguaia.

No ano passado, nós doamos 300 cestas básicas em parceria com as Prefeituras de Conceição do Araguaia, de Floresta do Araguaia e de Xinguara.

Na Horizonte Minerals, a saúde e a segurança vêm sempre em primeiro lugar

☎ 0800-015-6000 📞 (94) 99284-0317

🌐 www.horizonteminerals.com/br/pt/

COVID-19: PROTEJA-SE!

Use máscara

Mantenha o distanciamento social

Lave as mãos e use álcool gel

Saia de casa apenas em casos essenciais



PROTECT YOURSELF

MASK
ALCOHOL GEL
DISTANCING

Community Covid-19 education signage

(Left to right) 2021 Covid-19 highlights (top left), self-diagnosis, reporting tools and education posters.

ENVIRONMENT

PATHWAY TO OPERATIONS

As a company that is approaching the commencement of construction for the first of our two projects, in 2021 we focused on expanding our knowledge of the pre-mining condition of the project sites and advancing required permitting.

Following the receipt of the Construction Licence in 2018 and transmission line environmental permit in 2019, in 2021 the Araguaia Vegetation Clearance and Fauna Rescue Approvals were granted, as were those for the transmission line and the water pipeline. Diversion channel water rights and declaration of a public utility for the transmission line were also granted in the year.

RESOURCING

Throughout 2021, Horizonte strengthened its environmental and permitting team, to incorporate experts in systems, agronomy, biology, hydrogeology, natural resources management and biodiversity amongst others. The team championed the implementation and embedding of our new Integrated Management System (IMS), which integrates all social, environmental, governance and permitting requirements in a series of tools allowing for compliance obligations recording and tracking, corrective action management, document control and record keeping as well as databases for recording monitoring data and community engagements. The IMS reduces significant management risk, by automating alerts to team members and managers for permit renewals, submission dates, reports, notifications and conditions.

WATER AT ARAGUAIA

The Araguaia Project operates in the town of Conceição do Araguaia, approximately 25 km from the Araguaia River. The area receives high rainfall, is sparsely populated and has no existing industrial complexes, instead being largely employed for agricultural activities. These factors impact on the water catchment for the region which has a positive water balance.

Large rivers in the microregion of Conceição do Araguaia provide the population with a guaranteed water supply. Whilst there is a high rainfall, the climate has distinct seasons, with a dry season from typically from May to September.

As the construction, operation and closure of Araguaia have the potential to impact on surface and groundwater - such as changes in quality and localised shallow draw-down resulting from dewatering of pits to ensure safety during mining - we are committed to water efficiency in our operations and our aim is to be a water steward in the region, resulting in the adoption of Brazilian and international standards.

In 2021, we obtained a Water Grant to abstract 50m³/day from the surroundings of the future operational area. The Grant is sufficient for pre-construction and will not cause water stress.

When Araguaia moves into operation, Horizonte anticipates that some 220m³/hr will be abstracted from the Arrais River via a pipeline to the water-cooling dam. All water will be recycled in the closed-circuit design of the plant, meaning make-up water will only be required to account for evaporation.

Neither Araguaia or Vermelho are classified by the Aqueduct Water Risk Atlas as High or Extremely High Water Risk.

CASE STUDY: OUR INTEGRATED MANAGEMENT SYSTEM

Throughout 2021, Horizonte implemented a health, safety, environmental and social Integrated Management System (IMS) incorporating on ISO 14001, ISO 45001 standards and IFC guidelines. The Company is committed to these standards recognizing them as essential references to take the Company to higher levels of Governance and risk management.

Management and key sustainability staff have access to real-time reports to view compliance against permits, upcoming notifications, permit renewal dates and commitments with lenders to meet environment and social agreements. The IMS meets International Organization for Standardization (ISO) requirements, but most importantly, significantly reduces our ESG risks and helps keep Araguaia on track in meeting its commitments to all stakeholders

The IMS Digital Platform including compliance and environmental management system is comprised of several IT platforms, including M-Risk, SOGI, Stor and GedWeb which enable Horizonte to manage data from its extensive environmental and social monitoring and management programs, allowing the Company to:

- ☞ Maintain an accurate permit, licences, conditions, and compliance tracker (including International Finance Corporation and other requirements such commitments with lenders), to ensure timely completion of requirements
- ☞ Maintain our information management system through the embedded document management system
- ☞ Maintain stakeholder engagement and social key performance indicators collected throughout the pre-construction and construction phases, including social investments, complaints, and engagements.

IMS Environmental Database

The environmental database is a valuable and essential information for project execution. Horizonte has an extensive socio-environmental database including baseline and background data collected by independent experts as well as specialists from within our business. The M-Risk platform stores field and laboratory analysis data ranging from groundwater and surface water samples, air quality samples, noise monitoring programs, as well as biotic monitoring programs, such as fauna and flora.



Employee conducting routine, baseline noise monitoring

CONSERVATION AT ARAGUAIA

The Araguaia project straddles a transition region between the Cerrado and Amazon Biomes (Brazilian Institute of Geography & Statistics, 2004) and is predominantly located in the basin of the lower Pau D'arco River, which, in combination with its tributaries, drains to Arraias River in the south and the Salobro River to the north. The Project's direct and indirect influence areas are located in regions that have suffered significant degradation due to cattle grazing, crop farming and fragmentation over the past 50 years. Whilst there is no original forest remaining in the area of influence of the Project, expert biologists have conducted multiple flora and fauna baseline studies of the 'pockets' of remnant vegetation in legal reserves (land areas now required to be maintained by rural property owners) – enabling Horizonte to obtain significant biodiversity data to inform our biodiversity management programs.

To minimise loss resulting from vegetation clearing, Horizonte has implemented a Germplasm Rescue Program (flora), where plant propagules including seeds, fruits, tubers and seedlings are collected, stored and later propagated for revegetation – conserving not only the species diversity but also the genetic diversity of these species.

During Araguaia's exploration phase, Horizonte proactively constructed a native plant nursery, which will be expanded in 2022. In addition to forest restoration activities, Horizonte will prevent impacts in the restoration areas by controlling weeds, managing for bush fires and other human-related impacts.

The Company has also secured access to all land needed for the first phase of mining. This will provide an opportunity to reduce forest degradation and fragmentation through the establishment of ecological corridors, creating habitat and establishing connections between remnant vegetation patches.



A Tapir identified in Araguaia's fauna monitoring program



Opal-crowned Manakin identified in baseline fauna studies

The richness of the local fauna and the high rainfall in the region provide ideal characteristics for revegetation, to complement our other interventions. Fauna monitoring identified some 150 bird species in the area, providing great potential for seed dispersion. We also recorded around 30 mammal species, including the tapir (*Tapirus terrestris*) which is the largest terrestrial mammal in South America, and fondly regarded by local biologists as 'the gardener of the forests.'

BIODIVERSITY AT VERMELHO

The Vermelho project is located in the municipality of Canaã dos Carajás, south-eastern region of the state of Pará, where intense, historic deforestation resulted from timber milling and agriculture. Despite this, we have identified scattered forest fragments in the Vermelho area of influence. Whilst Vermelho is mostly located in the Amazon Biome, there are species characteristic of the Cerrado Biome, evidence of a transitional or ecotonal zone.

Whilst the previous owners conducted a full Social and Environmental Impact Assessment (SEIA) which received a Preliminary Licence in 2005, Horizonte has commenced a new SEIA including fauna studies completed in 2021. Early results indicate impacts of agriculture and deforestation in the prevalence of generalist, pioneer and early adaptor species. Although studies are ongoing, we anticipate the identification of some endemic and endangered species and the Company will develop appropriate management plans in line with Brazilian and International standards.

CASE STUDY: BIODIVERSITY PROTECTION

Throughout 2021, during the pre-construction phase, Horizonte carried out fauna monitoring programs, highlighting the diversity of fauna of the area.

The vegetation is also diverse, reflecting the transition between two major biomes: the Cerrado and the Amazon, including remnant forest and savanna patches as well as vegetation peculiar to ferriferous rock outcropping, known as "metalophilic savannas".

In the area where Araguaia will have direct influence, the 2021 flora inventory identified 307 native species, including six classified by the International Union for Conservation of Nature (IUCN) as endangered - species that will be of particular focus in our revegetation efforts.

Aligned to IFC Performance Standards and our values, Horizonte is committed to implementing actions that minimize loss and contribute to a net gain in biodiversity, including critical habitats, such as the metalophilic savannas.

Our actions, including avoidance, mitigation and compensation measures, are articulated in the Araguaia Biodiversity Action Plan. Actions include the rescue of propagules, seedlings and animals, recovery of degraded areas and of the natural vegetation, as well as conservation and rehabilitation of protected areas, including springs, rivers and forest remnants.



Flavia Veronese, Sustainability Manager



Arraias do Araguaia River near Conceição do Araguaia

SOCIAL

A COMMUNITY PARTNER OF CHOICE

In Conceição do Araguaia, where the Araguaia project is located, around half of the population live below the poverty line. Araguaia has the potential to positively transform the standard of living, livelihoods and environmental protection in this region. Our second project, Vermelho, is located in Canaã dos Carajás, home to the Carajás mining district, providing Horizonte the opportunity to demonstrate industry leadership through application of Good International Industry Practice, adherence to the International Finance Corporation Performance Standards and Equator Principles, and to partner for sustainable and coordinated economic development.

Horizonte made a significant economic contribution in 2021, distributing almost BRL 38M including over BRL 3M spent on taxes, over BRL 3.5M on health, safety, environment and community activities, and over BRL 11M on wages to employees and contractors. The Company invested over BRL 0.7M directly into community investment programs. Community investment programs focussed on Covid-19, including assistance to over 300 vulnerable families and donation of over 10,000 medical items to Conceição do Araguaia. Regional economic programs were also supported, such as the flour house for women and cacao farmers crop diversification project.

Throughout the past year, Horizonte has been deepening its capacity through the recruitment of subject matter experts and specialists in communities management, international standard resettlement programs and community engagement.



Patrícia dos Santos visiting host community

CASE STUDY: ARAGUAIA RESETTLEMENT

Horizonte's Araguaia project including its Resettlement Action Plan has been designed in accordance with Brazilian law as well as the International Finance Corporation Performance Standard 5 on Land Acquisition and Involuntary Resettlement. The main objectives are to avoid or minimise the adverse impacts of physical, economic or social displacement and associated resettlement and to restore or improve the livelihoods and standards of living of displaced persons. The Araguaia Resettlement Action Plan was advanced in 2021 in partnership with specialist experts. The program aims to protect project affected persons including vulnerable persons, respect human rights and provide households to be resettled with the opportunity to participate in programs to restore or enhance the quality of life, standards of living and livelihood opportunities compared with what they have today.

Recognising our dual accountability to keep people safe and health, and also to advance this program and minimise anxiety or disruption to livelihoods activities, our team used innovative ways to engage with affected families based on risk.

Throughout 2021, Horizonte acquired access to 100% of the lands necessary to construct the Araguaia project. In parallel, consultations advanced with families that will be resettled. In the first phase of resettlement, Horizonte anticipates it will resettle 18 families.

Agreements have been reached with families that have elected to be part of a 'collective' resettlement, whilst engagements continue with families that have elected to be resettled on an individual basis.



Alessandro Lopes (ERM Consulting) leading a resettlement program meeting



Conceição do Araguaia



Local farmer near Araguaia Project site

LOCAL CONTENT

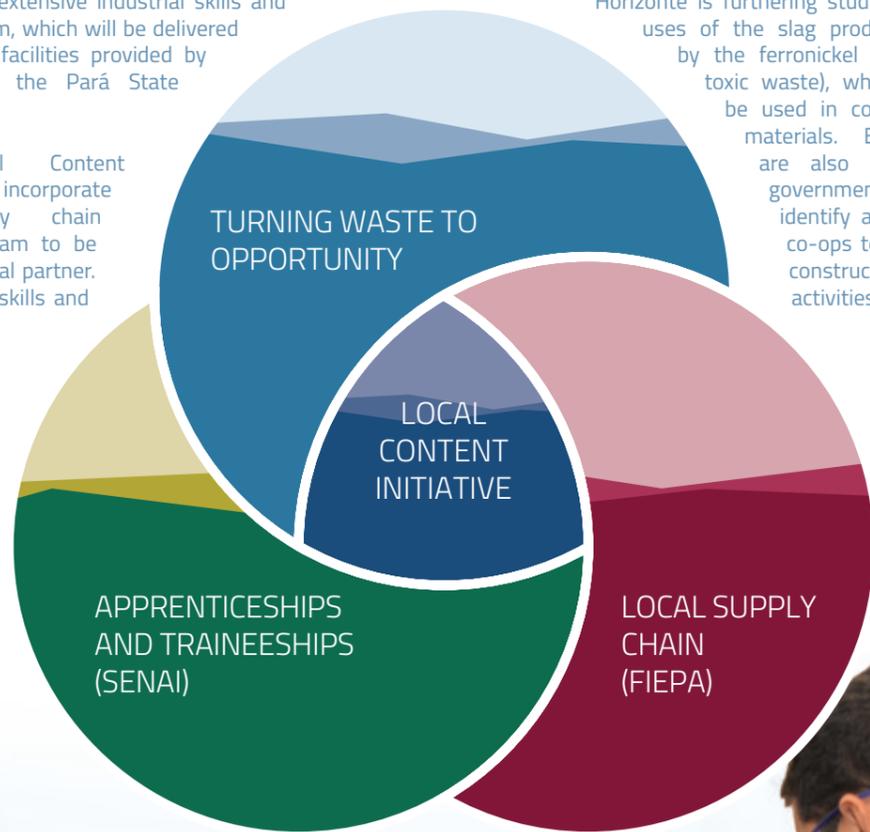
Horizonte is in the final stages of completing agreements to fully fund over 400 apprenticeships and training positions and to develop local business opportunities through partnerships with the Brazil's national industrial training authority, SENAI and the Pará State Federation of Industries, FIEPA - who have been widely recognised for their success in boosting local suppliers in the Carajás region, north of the Araguaia project.

Over BRL 2M is expected to be deployed over the next two years on this extensive industrial skills and job creation program, which will be delivered by SENAI utilising facilities provided by program partners, the Pará State University, UEPA.

Araguaia's Local Content Initiative will also incorporate a local supply chain development program to be delivered by the local partner. Aimed at boosting skills and

qualifications of existing suppliers in the region, the program will also identify and create new business opportunities, so that the local communities can maximise economic benefits from the Araguaia project.

A third component of the Local Content Initiative is Horizonte's commitment to working directly with technology institutions and local community organisations, to develop emerging businesses that both reduce waste and maximise local employment. Horizonte is furthering studies in the secondary-uses of the slag product to be produced by the ferronickel plant (an inert non-toxic waste), which could potentially be used in construction and road materials. Environmental teams are also working with local government departments to identify and develop recycling co-ops to reduce waste from construction and operational activities.



CASE STUDY: LOCAL DEVELOPMENT AGENDA

Founded in May 2007, Humana Brazil is a non-profit association whose mission is to stimulate development through the establishment and execution of projects that aim to strengthen local government capacities, create opportunities and generate socio-economic autonomy in small regional communities. Humana has significant experience working with both public and private companies in Brazil and its work is aligned with the United Nations Sustainable Development Goals ('SDG').

Horizonte's Araguaia project is located in an under-developed rural region where low-income unskilled jobs, unemployment and a lack of public services present significant challenges for the region's communities. While Araguaia is expected to be a catalyst for economic development through employment opportunities, its local supply chain and taxation, the Company identified the need to advance a Local Development Agenda to ensure this economic development supports the Project's requirements and promotes equal opportunities in our host communities.

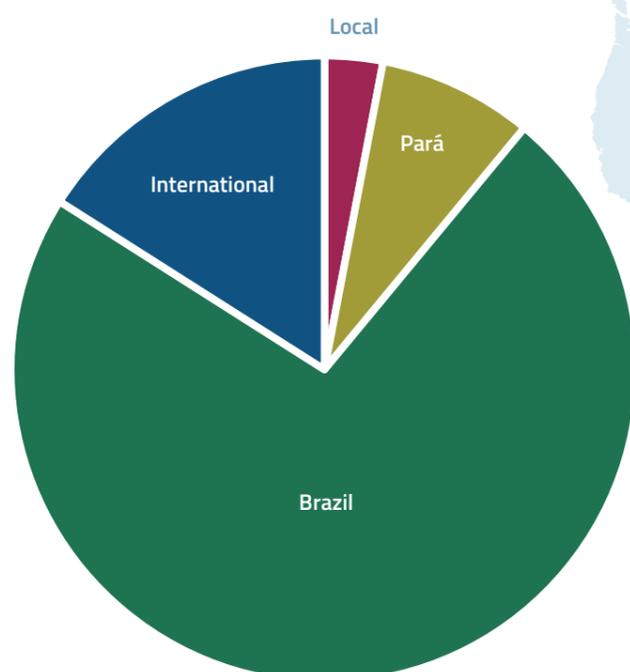
The Local Development Agenda advanced in 2021, with participation from a number of community representatives and local government – its focus is on creating inclusive and community-centred initiatives that are integrated, multi-dimensional and inter-sectoral with an emphasis on shared governance to promote a thriving, diversified economy where community members have access to work. This work will be in an environment that promotes inclusion, diversity, human rights, ethical behaviour and health and safety. The Local Development Agenda aims to directly align Horizonte's activities to multiple United Nations Sustainable Development Goals including SDG 8: Decent Work and Economic Growth, SDG 10: Reduced Inequalities and SDG 17: Partnerships for the Goals, and indirectly SDG 1: No Poverty, SDG 2: Zero Hunger, SDG 4: Quality Education, SDG 9: Industry, Innovation and Infrastructure and SDG 11: Sustainable Cities and Communities.



TAX & ECONOMIC CONTRIBUTION

Horizonte is a Brazil-focused company, with our two assets, Araguaia ferronickel project, and Vermelho nickel-cobalt project, both based in the Pará State Brazil. Almost half of the products purchased in 2021 were sourced from the Pará State with 44% of product purchases were made with host community companies in Conceição do Araguaia.

LOCAL PROCUREMENT



2021 PROCUREMENT

	Local	Pará (excluding local)	Brazil (excluding Pará and local)	International
Procurement expenditure (US\$)	344,312	911,336	8,634,747	1,931,684
As proportion of total	3%	8%	73%	16%
Number of purchase orders	166	134	436	NR
Number of suppliers	65	61	193	NR

Note: NR indicates not reported.
 USD amounts generated using 2021 mean exchange rates.
 Local indicates suppliers from Conceição do Araguaia, Floresta do Araguaia, Xinguara and Canaã dos Carajás.

Over BRL 38M
 Total tax and economic contribution

Over BRL 13M
 Wages and related payments

BRL 21.8M
 Brazil supply chain

BRL 0.7M
 Social Investment



ECONOMIC CONTRIBUTION

Statement of added Value Description	BRL			USD		
	2021	2020	2019	2021	2020	2019
Revenue	3,129,360	558,948	147,594	560,767	108,323	37,406
ECONOMIC VALUE GENERATED	3,129,359	558,948	147,594	560,766	108,323	37,406
Operational costs	19,662,352	13,093,487	6,734,076	3,523,403	2,537,498	1,706,671
Employee salaries and benefits	11,146,568	4,490,489	3,293,021	1,997,414	870,250	834,577
Government payments	2,623,338	1,043,856	692,252	470,090	202,298	175,443
Investments health, safety and environment	3,618,845	—	—	701,327	—	—
Community investments	735,659	57,175	99,999	142,570	11,081	25,344
DISTRIBUTED ECONOMIC VALUE	37,786,762	18,685,009	10,819,350	6,834,803	3,621,125	2,742,035
Accumulated economic value (generated economic value minus distributed economic value).	(34,657,403)	(18,126,061)	(10,671,756)	(6,210,448)	(3,512,802)	(2,704,629)

Our Extractive Sector Transparency Measures Act (ESTMA) disclosure can be found at www.horizonteminerals.com

A more detailed set of financial disclosures, aligned with the Extractive Industries Transparency Initiative (EITI) will be reported in 2022.

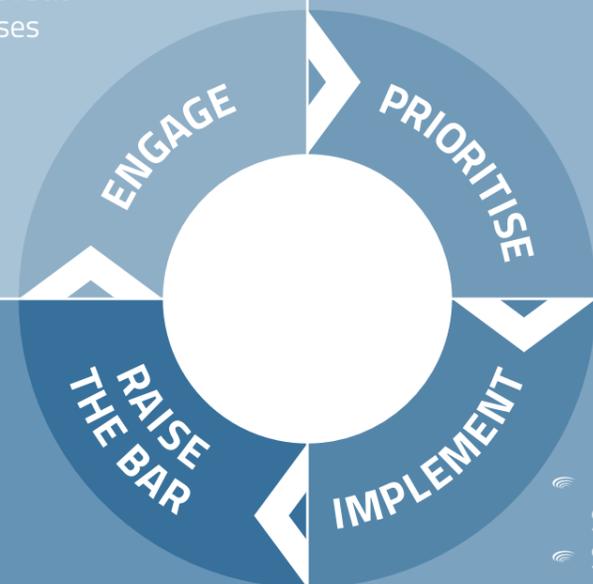
BUILDING SUSTAINABILITY VALUE

At Horizonte, we are developing stretch-targets to see real long-term change in the communities and the environments where we operate.

In 2021 our team developed a set of measurable ESG targets across our nine material topics for the construction phase at Araguaia. Our plan in 2022 is to review the over-arching goals and objectives in line with the evolution of our strategy.

- Annual employee surveys
- Resettlement consultations
- Government Meetings
- Community engagement structures formalisation
- Investor & Lender feedback
- Due diligence processes
- Expert panel and advisory inputs

- Materiality Assessment
- Environment Licence Conditions
- Resettlement agreements
- Critical and high HSEC risks to business



- Measure
- Report (internal, lenders, investors, public)
- Review
- Benchmark

- Horizonte's Sustainability Strategy evolution
- Set objectives and targets that include 'stretch'
 - Climate and carbon strategy
 - Biodiversity management
 - Socioeconomic value retention
 - Outcomes orientated community development

SUSTAINABILITY STRATEGIC PILLARS

A SUSTAINABILITY 'ROAD-MAP' TO THE FUTURE

1. Workforce Wellbeing

- A. Zero Harm - no one is harmed by our activities, actions or inaction.
- B. Lead by example - Leadership is heart-felt. Leaders behaviours are honest, respectful, caring, fair, trustworthy and courageous - as are our systems for managing people.
- C. Our workplaces are 'safe' - people, regardless of role, feel that they belong and can contribute to their fullest.

2. Partners of Choice

- A. Governance driven - we respect local custom and practice and tenets of ethical behaviour in all our actions.
- B. Respect - Horizonte is a champion for fundamental human rights.
- C. Diversity for understanding - our communities and our workforce are diverse. We embrace diversity through our engagement systems and processes to understand wider community needs.

3. Land Access and Stewardship

- A. Stewards - our land stewardship credentials are respected and our ability to gain land access reflects this.
- B. Multiple and sequential land use - we are just one of the users of land. We partner with others to ensure sustainable legacies of our activities post-mining.
- C. Protecting the interests of the vulnerable - our programs of resettlement and compensation address the specific needs of the vulnerable.

4. Catalyst for Genuine Economic Development

- A. Local content - we promote local employment and procurement through meaningful programs of capacity development.
- B. Enhancing and retaining value - our sustainability programs are designed to retain the value of our operations for our host communities.
- C. Vibrant regional communities - Horizonte recognises the right to self-determination and our socio-economic development initiatives reflect the needs of our hosts. Our hosts commit to partnering in the delivery of this legacy for real sustainable benefits.

8. Integrated Sustainability

- A. Our vision and strategy are our road map and our values how we will deliver. Our Board of Directors define our appetite for risk and this is upheld by leaders throughout the business.
- B. Rigorous adherence to our standards - sustainability is woven through all our standards and is an integral component of the Horizonte Way.
- C. Global goals - Horizonte's strategic sustainability activities contribute to societal goals.

5. Water

- A. Water security - land acquired for our operations has suffered significant degradation from pre-mining land uses. It is our vision that springs, streams and riparian vegetation within our areas of management will be enhanced through active management.
- B. Water efficiency - Horizonte not only protects this precious resource, but uses it efficiently in the context of operations.
- C. Respect the seasons - natural systems respond to seasonality. Wherever possible, Horizonte will work to avoid and minimise impact to natural flow regimes.

6. Biodiversity

- A. Conservation minded - whilst our very presence will result in impact, our expertise, knowledge and resources are utilised to enhance conservation outcomes in the context of our operations.
- B. Net positive impact - Horizonte is widely regarded as a champion of biodiversity and our positive actions result in a net positive impact on biodiversity and specifically critical habitats.
- C. International partner - our scientific work and actions build global knowledge on species of conservation significance for the benefit of wider society.

7. Climate and Carbon

- A. Risk managers - we are driven to understand climate risk and manage in a responsible and pragmatic way.
- B. Transparent - we recognise the rights of our stakeholders to understand how we are addressing this evolving risk.
- C. Positioning for leadership - we will continue to explore opportunities for carbon and emissions efficiency with the same rigour in which operational excellence is pursued.

VERMELHO AND THE GREEN ENERGY REVOLUTION

Nickel's use in batteries for electric vehicles makes it a critical metal for the 21st century and the demand for high purity nickel is due to outstrip supply in coming years.

Horizonte acquired Vermelho from Vale in 2017. Since that time, independent test-work has confirmed the suitability of the Vermelho resources for electric vehicle (EV) battery production and Horizonte is now developing the nickel cobalt project to feed into this market.

VERMELHO SUSTAINABILITY OBJECTIVES

TARGET

1

Complete Integrated Social and Environmental Impact Assessment (SEIA);

2

Submit SEIA to Environmental Agency and request Preliminary Licence (LP);

3

Hire Vermelho Feasibility Study partners for:

- Health, Safety, Environment & Communities
- Hydrology, Hydrogeology, and Geochemistry

4

Build-out Vermelho sustainability team;

5

Define pathway to meet IFC Performance Standards and Equator Principles IV.



NOTES

GLOSSARY

AIFR	All Injury Frequency Rate	HZM	Horizonte Minerals plc.
B	billion	IFC	International Finance Corporation
BRL	Brazilian Reais	IMS	Integrated management system
CFPOA	Canadian Corruption of Foreign Public Officials Act	ISO	International Standards Organization
CEO	Chief Executive Officer	IUCN	International Union for Conservation of Nature
CO ₂	carbon dioxide	M	million
CONAMA	<i>Conselho Nacional do Meio Ambiente</i> [Brazilian environment regulatory agency]	m ³	cubic meter
COP 26	2021 United Nations Climate Change Conference (conference of parties)	OECD	Organization for Economic Cooperation and Development
EBRD	European Bank for Reconstruction and Development	QCA	Quoted Company Alliance
EHS	environment, health and safety	RAT	Covid-19 rapid antigen test
EITI	Extractives Industry Transparency Initiative	SASB	Sustainability Accounting Standards Board
ERM	Enterprise Risk Management	SDGs	Sustainable Development Goals
ERP	Enterprise resource planning	SENAI	<i>Serviço Nacional de Aprendizagem Industrial (SENAI)</i> [Brazil's national industrial training authority]
ESG	environmental, social and governance	TCFD	Taskforce on Climate Related Financial Disclosures
ESIA	Environmental and Social Impact Assessment	t Ni Eq	tonnes of nickel equivalent
ESTMA	Extractives Sector Transparency Measures Act	TRIFR	Total Recordable Injury Frequency Rate
FIEPA	<i>Federação das Indústrias do Pará (FIEPA)</i> [Para State Federation of Industries]	UEPA	<i>Universidade do Estado do Pará (UEPA)</i> [Para State University]
GHG	greenhouse gas(es)	UN	United Nations
GRI	Global Reporting Initiative	UNEP	United Nations Environment Programme
HSEC	health, safety, environment and communities		

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 regulatory and/or land access requirements as described herein, or at all; statements with respect to the implementation of the Company's current or future sustainability strategies, management plans or programs; the ability of the Company to obtain government, community and stakeholder support for its endeavours; and the ability of the Company to achieve its goals in respect of sustainability 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 certain assumptions and judgments of management made in light of its experience and current context, 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. Please refer to 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, 2021, the Araguaia Report and the Vermelho Report. 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. Forward-looking information are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. Horizonte does not undertake to update any forward-looking information that are included in this Report, except as required by applicable securities laws.

Note that some photographs used in this report were taken before and after the COVID-19 restrictions.

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INDEXES

GENERAL DISCLOSURES

GRI 102: ORGANIZATIONAL PROFILE

Disclosure	Description	Location / information
102-1	Name of the organization	Horizonte Minerals plc
102-2	Activities, brands, products, and services	2021 Annual Report, p1-3
102-3	Location of headquarters	London, United Kingdom
102-4	Location of operations	2021 Sustainability Report, p4; 2021 Annual Report, p2
102-5	Ownership and legal form	2021 Sustainability Report, p2; 2021 Annual Report, p2 & 66
102-6	Markets served	2021 Sustainability Report, p3 & 38; 2021 Annual Report p18-19
102-7	Scale of the organization	See below for details
ai.	Total number of employees	2021 Sustainability Report, p50-51
aii.	Total number of operations	2021 Sustainability Report, p4; 2021 Annual report, p2
aiii.	Net sales	Not applicable - HZM in pre-production, see 2021 Annual Report, p56
aiv.	Total capitalization	2021 Annual Report, p57
av.	Quantity of products or services sold	Not applicable - HZM in pre-production
102-8	Information on employees and other workers	2021 Sustainability Report, p20, 50 & 51
102-9	Supply chain	2021 Sustainability Report, p32-34; 2021 Annual Report p18-19
102-10	Significant changes to the organization and its supply chain	Horizonte commenced early works related to the development of its Araguaia project in 2021.
102-11	Precautionary Principle or approach	2021 Sustainability Report, p26-29
102-12	External initiatives	Global Reporting Initiative, Sustainable Development Goals, International Finance Corporation Performance Standards, Equator Principles. In preparation: United Nations Global Compact, Extractive Industries Transparency Initiative, Sustainability Accounting Standards Board (SASB), Mining Local Procurement Reporting Mechanism.
102-13	Membership of associations	Brazilian Mining Association

GRI 102: STRATEGY

Disclosure	Description	Location / information
102-14	Statement from senior decision-maker	2021 Sustainability Report, p6; 2021 Annual Report, p4 & 20
102-15	Key impacts, risks, and opportunities	Impacts, risks and opportunities are described throughout the 2021 Sustainability Report, including Material Sustainability Topics, p16-17; 2021 Annual Report, p28-33

GRI 102: ETHICS & INTEGRITY

Disclosure	Description	Location / information
102-16	Values, principles, standards, and norms of behavior	2021 Sustainability Report, p7; 2021 Annual Report, p6-11. Also see Our Culture and Values
102-17	Mechanisms for advice and concerns about ethics	2021 Sustainability Report, p8 & 21

GRI 102: GOVERNANCE

Disclosure	Description	Location / information
102-18	Governance structure	2021 Sustainability Report, p12-13; 2021 Annual Report, p34-36
102-19	Delegating authority	2021 Sustainability Report, p12-13; 2021 Annual Report, p34-36
102-20	Executive-level responsibility for economic, environmental, and social topics	2021 Sustainability Report, p6 & 14; Annual Report, p20 & 22
102-22	Composition of the highest governance body and its committees	2021 Annual Report, p38-41
102-23	Chair of the highest governance body	2021 Annual Report, p4 & 34
102-24	Nominating and selecting the highest governance body	2021 Annual Report, p34-36
102-25	Conflicts of interest	Horizonte Business Integrity Policy
102-32	Highest governance body's role in sustainability reporting	2021 Sustainability Report, p6 & 12; 2021 Annual Report, p28-29 & 36

GRI 102: STAKEHOLDER ENGAGEMENT

Disclosure	Description	Location / information
102-40	List of stakeholder groups	2021 Sustainability Report, p30-33, 2021 Annual Report, p24-25
102-41	Collective bargaining agreements	2021 Sustainability Report, p20-21
102-42	Identifying and selecting stakeholders	2021 Sustainability Report, p30-33, 2021 Annual Report, p24-25
102-43	Approach to stakeholder engagement	2021 Sustainability Report, p12, 30-33, 2021 Annual Report, p24-25, 42
102-44	Key topics and concerns raised	2021 Sustainability Report, p30-33, 2021 Annual Report, p24-25

GRI 102: REPORTING PRACTICE

Disclosure	Description	Location / information
102-45	Entities included in the consolidated financial statements	2021 Annual Report, p66
102-46	Defining report content and topic Boundaries	2021 Sustainability Report, p16-17
102-47	List of material topics	2021 Sustainability Report, p16-17
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Adoption of new disclosure standards forecast for 2022, see 2021 Sustainability report, p2
102-50	Reporting period	1 January-31 December 2021
102-51	Date of most recent report	July 2021 (for period 1 January-31 December 2020)
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Philipa Varris (Head of Sustainability)
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	GRI content index within 2021 Sustainability Report, p42
102-56	External assurance	2021 Annual Report and financials fully audited. Sustainability Report other content not yet assured as HZM in pre-production, however Araguaia project undergoes reviews by Lender Independent Environmental and Social Consultant (IESC) experts.

ECONOMIC PERFORMANCE

GRI 201: ECONOMIC PERFORMANCE

Disclosure	Description	Location / information
201-1	Direct economic value generated and distributed	2021 Sustainability Report, p34-35
201-2	Financial implications and other risks and opportunities due to climate change	2021 Sustainability Report, p15; 2021 Annual Report, p17-18
201-4	Financial assistance received from government	None.

GRI 203: INDIRECT ECONOMIC IMPACTS

Disclosure	Description	Location / information
203-1	Infrastructure investments and services supported	2021 Sustainability Report, p30-35; 2021 Annual Report, p46-47
203-2	Significant indirect economic impacts	2021 Sustainability Report, p30-35

GRI 204: PROCUREMENT PRACTICES

Disclosure	Description	Location / information
204-1	Proportion of spending on local suppliers	2021 Sustainability Report, p34

GRI 205: ANTI-CORRUPTION

Disclosure	Description	Location / information
205-1	Operations assessed for risks related to corruption	2021 Annual Report, p30-31
205-2	Communication and training about anti-corruption policies and procedures	2021 Sustainability Report, p3 & 9; 2021 Annual Report, p24-25
205-3	Confirmed incidents of corruption and actions taken	Zero

GRI 206: ANTI-COMPETITIVE Behavior

Disclosure	Description	Location / information
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Zero

GRI 207: TAX

Disclosure	Description	Location / information
207-1	Approach to tax	2021 Annual Report, p71 & 77
207-2	Tax governance, control, and risk management	2021 Annual Report, p55 & 30-32
207-3	Stakeholder engagement and management of concerns related to tax	2021 Annual Report, p42 & 71
207-4	Country-by-country reporting	2021 Annual Report, 77 & 81 (Note HZM is pre-production)

ENVIRONMENT

GRI 302: ENERGY

Disclosure	Description	Location / information
302-1	Energy consumption within the organization	Not applicable, HZM in pre-production
302-2	Energy consumption outside the organization	Information not currently available
302-3	Energy intensity	Not applicable, HZM in pre-production
302-4	Reduction of energy consumption	Not applicable, HZM in pre-production

GRI 303: WATER AND EFFLUENTS

Disclosure	Description	Location / information
303-1	Interactions with water as a shared resource	2021 Sustainability Report, p26
303-2	Management of water discharge-related impacts	Not applicable, HZM in pre-production
303-3	Water withdrawal	Not applicable, HZM in pre-production
303-4	Water discharge	Not applicable, HZM in pre-production
303-5	Water consumption	Not applicable, HZM in pre-production

GRI 305: EMISSIONS

Disclosure	Description	Location / information
305-1	Direct (Scope 1) GHG emissions	Not applicable, HZM in pre-production
305-2	Energy indirect (Scope 2) GHG emissions	Not applicable, HZM in pre-production
305-3	Other indirect (Scope 3) GHG emissions.	Not applicable, HZM in pre-production
305-4	GHG emissions intensity	Not applicable, HZM in pre-production See forecast in 2021 Sustainability Report, p19
305-5	Reduction of GHG emissions	Not applicable, HZM in pre-production
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable, HZM in pre-production

GRI 306: WASTE

Disclosure	Description	Location / information
306-1	Waste generation and significant waste-related impacts	Not applicable, HZM in pre-production
306-2	Management of significant waste-related impacts	Not applicable, HZM in pre-production See 2021 Sustainability Report, p32 for info on research into potential for beneficial reuse of waste
306-3	Waste generated	Not applicable, HZM in pre-production

GRI 307: ENVIRONMENTAL COMPLIANCE

Disclosure	Description	Location / information
307-1	Non-compliance with environmental laws and regulations	2021 Sustainability Report, p3

SOCIAL

GRI 401: EMPLOYMENT

Disclosure	Description	Location / information
401-1	New employee hires and employee turnover	Not reported

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

Disclosure	Description	Location / information
403-1	Occupational health and safety management system	2021 Sustainability Report, p27 & 22-23
403-2	Hazard identification, risk assessment, and incident investigation	2021 Sustainability Report, p22-23 2021 Annual Report, p7, 14-15
403-3	Occupational health services	Not reported
403-4	Worker participation, consultation, and communication on occupational health and safety	Not reported
403-5	Worker training on occupational health and safety	Not reported
403-6	Promotion of worker health	2021 Sustainability Report, p24-25
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2021 Sustainability Report, p22-23 2021 Annual Report, p7, 14-15
403-8	Workers covered by an occupational health and safety management plan	100%
403-9	Work-related injuries	Zero fatal injuries, zero lost time injuries
403-10	Work-related ill health	Zero work-related ill health cases in 2021

GRI 404: TRAINING AND EDUCATION

Disclosure	Description	Location / information
404-1	Average hours of training per year per employee	Not reported
404-2	Programs for upgrading employee skills and transition	Not reported

GRI 405: TRAINING AND EDUCATION

Disclosure	Description	Location / information
405-1	Diversity of governance bodies and employees	2021 Sustainability Report, p20-21, 50-51

GRI 406: NON-DISCRIMINATION

Disclosure	Description	Location / information
406-1	Incidents of discrimination and corrective actions taken	2021 Sustainability Report, p20

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Disclosure	Description	Location / information
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Zero. Union representation is protected under the Brazilian Constitution and Brazilian law

GRI 408: CHILD LABOUR

Disclosure	Description	Location / information
408-1	Operations and suppliers at significant risk for incidents of child labor	US Department of Labor studies on the worst forms of child labour highlight risk in Brazil's agricultural & services sectors

GRI 409: FORCED OR COMPULSORY LABOUR

Disclosure	Description	Location / information
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	The Global Slavery Index reports an estimated prevalence of modern slavery in Brazil of 1.8 victims per 1000 population with inequality and governance key drivers of vulnerability.

GRI 412: HUMAN RIGHTS ASSESSMENT

Disclosure	Description	Location / information
412-1	Operations that have been subject to human rights reviews or impact assessments	Incorporated at a high level into recent Social impact assessments
412-2	Employee training on human rights policies or procedures	2021 Sustainability Report, p12 & 15 Human Rights Policy released in 2021
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	2021 Sustainability Report, p6 & 13

GRI 413: LOCAL COMMUNITIES

Disclosure	Description	Location / information
413-1	Operations with local community engagement, impact assessments, and development programs	Araguaia Nickel Project
413-2	Operations with significant actual and potential negative impacts on local communities	All operations have the potential for significant impacts – both positive and negative – on local communities

GRI 419: SOCIOECONOMIC COMPLIANCE

Disclosure	Description	Location / information
419-1	Non-compliance with laws and regulations in the social and economic area	None

GRI MINING METALS SUPPLEMENT

GRI G4 MINING AND METALS SUPPLEMENT

Disclosure	Description	Location / information
MM-1	Amount of land (owned or leased and managed for production activities or extractive use) disturbed or rehabilitated	Not applicable, HZM in pre-production
MM-2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number(percentage) of those sites with plans in place	100% including Araguaia and Vermelho 2021 Sustainability Report, p28-29
MM-3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	Not applicable, HZM in pre-production
MM-4	Number of strikes and lock-outs exceeding one week's duration, by country	None
MM-5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities	None
MM-6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples	None
MM-7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes	Not applicable
MM-8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks	Not applicable, HZM in pre-production ASM not prevalent at Araguaia
MM-9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	Araguaia resettlement program 2021 Sustainability Report, p31
MM-10	Number and percentage of operations with closure plans	Araguaia. Vermelho permitting in process.

SASB INDEX

METALS AND MINING STANDARD

Disclosure	Description	Location / information
EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissionslimiting regulations	Not applicable, HZM in pre-production
EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	2021 Sustainability Report, p15, 19, 37
EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	Not applicable, HZM in pre-production
EM-MM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Not applicable, HZM in pre-production
EM-MM-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Zero operations in High or Extremely High Water Stress regions
EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Zero
EM-MM-150a.1	Total weight of tailings waste, percentage recycled	Not applicable, HZM in pre-production
EM-MM-150a.2	Total weight of mineral processing waste, percentage recycled	Not applicable, HZM in pre-production
EM-MM-150a.3	Number of tailings impoundments, broken down by MSHA hazard potential	Not applicable, HZM in pre-production
EM-MM-160a.1	Description of environmental management policies and practices for active sites	Not applicable, HZM in pre-production 2021 Sustainability Report, 26-27
EM-MM-160a.2	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	Araguaia Nickel Project has low potential for acid generation or metal leaching - see Araguaia Nickel Project NI 43-101, p322. Vermelho ESIA underway.
EM-MM-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	HZM discloses which sites are on or near endangered species habitats, but not percentage of proved & probable reserves
EM-MM-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	None
EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	None
EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	2021 Sustainability Report, p30-33 No activities in areas of indigenous peoples or conflict
EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	2021 Sustainability Report, p30-33
EM-MM-210b.2	Number and duration of non-technical delays	Zero
EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	Not reported
EM-MM-310a.2	Number and duration of strikes and lockout	None
EM-MM-320a.1	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	2021 Sustainability Report, p3 & 22; 2021 Annual Report, p 13 Training hours not reported
EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	2021 Sustainability Report, p12-13; 2021 Annual Report, p34-36 Also see Business Integrity Policy.
EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	None
EM-MM-000.A	Production of (1) metal ores and (2) finished metal products	Not applicable, HZM in pre-production
EM-MM-000.B	Total number of employees, percentage of contractors	2021 Sustainability Report, p50-51

LOCAL PROCUREMENT REPORTING MECHANISM INDEX

LPRM 100: CONTEXT FOR LOCAL PROCUREMENT DISCLOSURES

Disclosure	Description	Location / information
101	Mining company name	Horizonte Minerals plc
101	Mine site name	Araguaia Niquel Metais Ltda / Araguaia Nickel Project
101	Reporting period	1 January-31 December 2021
101	Stage of assets	Pre-production
101	Estimated mine life	Approximately 30-years production life
101	Average number of workers	See Araguaia Nickel Project NI 43-101, p302

LPRM 200: PROCUREMENT SYSTEMS

Disclosure	Description	Location / information
201	Policy on local suppliers	Not published
202	Accountability on local suppliers	Local procurement accountability rests with the Araguaia projects team
203	Major contractors and local suppliers	Not applicable - HZM in pre-production. Details will be provided for construction phase.
204	Procurement process	Not published

LPRM 300: LOCAL PROCUREMENT SPENDING BY CATEGORY

Disclosure	Description	Location / information
301	Categorising suppliers	2021 Sustainability Report, p34
302	Breakdown of procurement spend	2021 Sustainability Report, p34

LPRM 400: LOCAL PROCUREMENT DUE DILIGENCE

Disclosure	Description	Location / information
401	Due diligence process	Not published
402	Anti-corruption policy	See Business Integrity Policy
403	Training and guidance for suppliers	Not published

LPRM 500: METHODS TO INCENTIVISE LOCAL PROCUREMENT

Disclosure	Description	Location / information
501	Commitments	2021 Sustainability Report, p32-34
502	Preference in scoring of bids	Not reported
503	Preference in scoring of bids for significant local contributions	Not reported
504	Non-scoring methods to incentivize local purchasing	Not reported
505	Supporting suppliers to understand the tender process	Not reported
506	Special payment procedures for local suppliers	Contracts are paid according to existing company procedures
507	Encouraging procurement from particular groups	2021 Sustainability Report, p32-34

LPRM 600: EXTERNAL COMMITMENTS AND OBLIGATIONS

Disclosure	Description	Location / information
601	Regulations	Not reported
602	Other agreements and contracts	2021 Sustainability Report, p32-34

DATA TABLES

WORKFORCE DEMOGRAPHICS 2021

BRAZIL BASED WORKFORCE

Employees

Gender					
Year	M	F	Total	% Female	%Male
2021	49	17	66	26	74
2020	16	9	25	36	64
2019	13	9	22	41	59

Origin								
Local	Pará	Others	Non Brazil	Total	%Local	% Pará	% Brazil	
12	1	51	2	66	18	20	97	
10	0	15	0	25	40	40	100	
0	12	10	0	22	0	55	100	

Interns

Gender					
Year	M	F	Total	% Female	%Male
2021	0	4	4	100	0
2020	1	4	5	80	20
2019	0	0	0	N/A	N/A

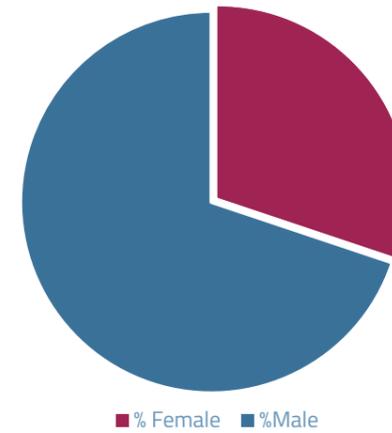
Origin								
Local	Pará	Others	Non Brazil	Total	%Local	% Pará	% Brazil	
0	0	3	0	3	0	0	100	
0	0	5	0	5	0	0	100	
0	0	0	0	0	N/A	N/A	N/A	

Consultants

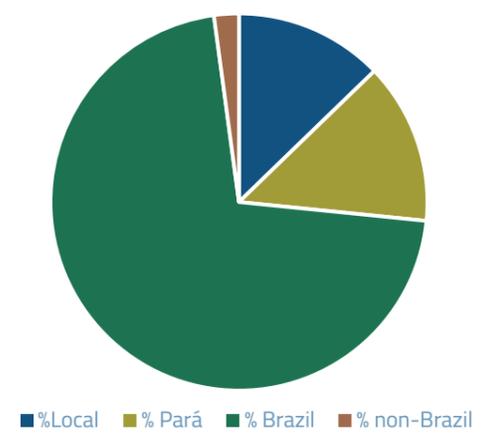
Gender					
Year	M	F	Total	% Female	%Male
2021	3	1	4	25	75
2020	13	3	16	19	81
2019	3	1	4	25	75

Origin								
Local	Pará	Others	Non Brazil	Total	%Local	% Pará	% Brazil	
0	0	0	0	0	N/A	N/A	N/A	
0	1	15	0	16	0	6	100	
0	2	2	0	4	0	50	100	

Workforce Gender Diversity



Workforce Citizenship



All Workforce

Gender					
Year	M	F	Total	% Female	%Male
2021	51	22	73	30	70
2020	30	16	46	35	65
2019	16	10	26	38	62

Origin								
Local	Pará	Others	Non Brazil	Total	%Local	% Pará	% Brazil	% non-Brazil
12	1	54	2	69	17	19	97	3
10	1	35	0	46	22	24	100	0
0	14	12	0	26	0	54	100	0

UNITED KINGDOM BASED WORKFORCE

Employees

Gender					
Year	M	F	Total	% Female	%Male
2021	6	4	10	40	60
2020	6	3	9	33	67
2019	7	2	9	22	78

Origin				
UK	non-UK	Total	%UK	% non-UK
8	2	10	80	20
8	1	9	89	11
9	0	9	100	0

Employees

Gender					
Year	M	F	Total	% Female	%Male
2021	2	1	3	33	67
2020	4	1	5	20	80
2019	5	0	5	0	100

Origin				
UK	non-UK	Total	%UK	% non-UK
2	1	3	67	33
3	2	5	60	40
3	2	5	60	40



Horizonte Minerals Plc
Rex House
4-12 Regent Street
London SW1Y 4RG
United Kingdom
T. +44 (0)203 356 2901

 @HorizontePLC

E. info@horizonteminerals.com

Horizonte Minerals Brasil
Avenida Raja Gabáglia, 1143 - 14º andar
Luxemburgo - Belo Horizonte - MG
Brasil
CEP: 30.380-403
T. +55 (31) 99641-5986

 HorizonteMinerals

www.horizonteminerals.com