



Revitalizing the Supply of Heavy Rare Earths

Piloting Plant

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Comparables

Certain information presented herein compares the Company to other issuers and such data sets are considered to be comparables. Comparable information about other issuers contained in this presentation was obtained from public sources and has not been independently verified by the Company. The comparables are considered to be an appropriate basis for comparison with the Company based on their industry, commodity mix, jurisdiction, size, operating scale and other additional criteria. The comparable issuers may face different risks from those applicable to the Company.

Market and Industry Data

Market and industry data and forecasts contained in this presentation have been obtained from third party sources, industry publications and reports, websites and other publicly available information. The Company believes that the market and economic data presented throughout this presentation is accurate but the Company cannot offer any assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this presentation are not guaranteed and the Company does not make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although the Company believes it to be reliable, the Company has not independently verified any of the data from third party sources referred to in this presentation, or analyzed or verified the underlying market, economic and other assumptions relied upon by such sources. Market and industry data are subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

Scientific and Technical Information

This presentation also contains references to estimates of Mineral Resources. The estimation of mineral resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation (including estimated future production from the Company’s projects, the anticipated tonnages and grades that will be mined and the estimated level of recovery that will be realized), which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that ultimately may prove to be inaccurate. Mineral resource estimates may have to be re estimated based on: (i) fluctuations in prices of rare earth elements; (ii) results of drilling; (iii) metallurgical testing and other studies; (iv) proposed mining operations; (v) evaluation of mine plans subsequent to the date of any estimates and (vi) the possible failure to receive required permits, approvals and licenses.

Scientific and technical information (including financial forecasts and valuation calculations) relating to the Penco Module contained in this presentation has been derived from, and in some instances extracted from a technical report prepared in accordance with National Instrument “43-101 Standards” of Disclosure for Mineral Projects (“NI 43-101”) entitled “Preliminary Economic Assessment – Carina Rare Earth Element Project – Nova Roma, Goiás, Brazil” with an effective date of November 3, 2023 (“Technical Report” or Aclara PEA”) prepared by GE21 Consultoria Mineral and authored by Stuart J. Saich, Branca Horta de Almeida Abrantes, Porfirio Cabaleiro Rodriguez and Rooniel Hirose, each of whom and is a “qualified person” and “ within the meanings of NI 43-101.

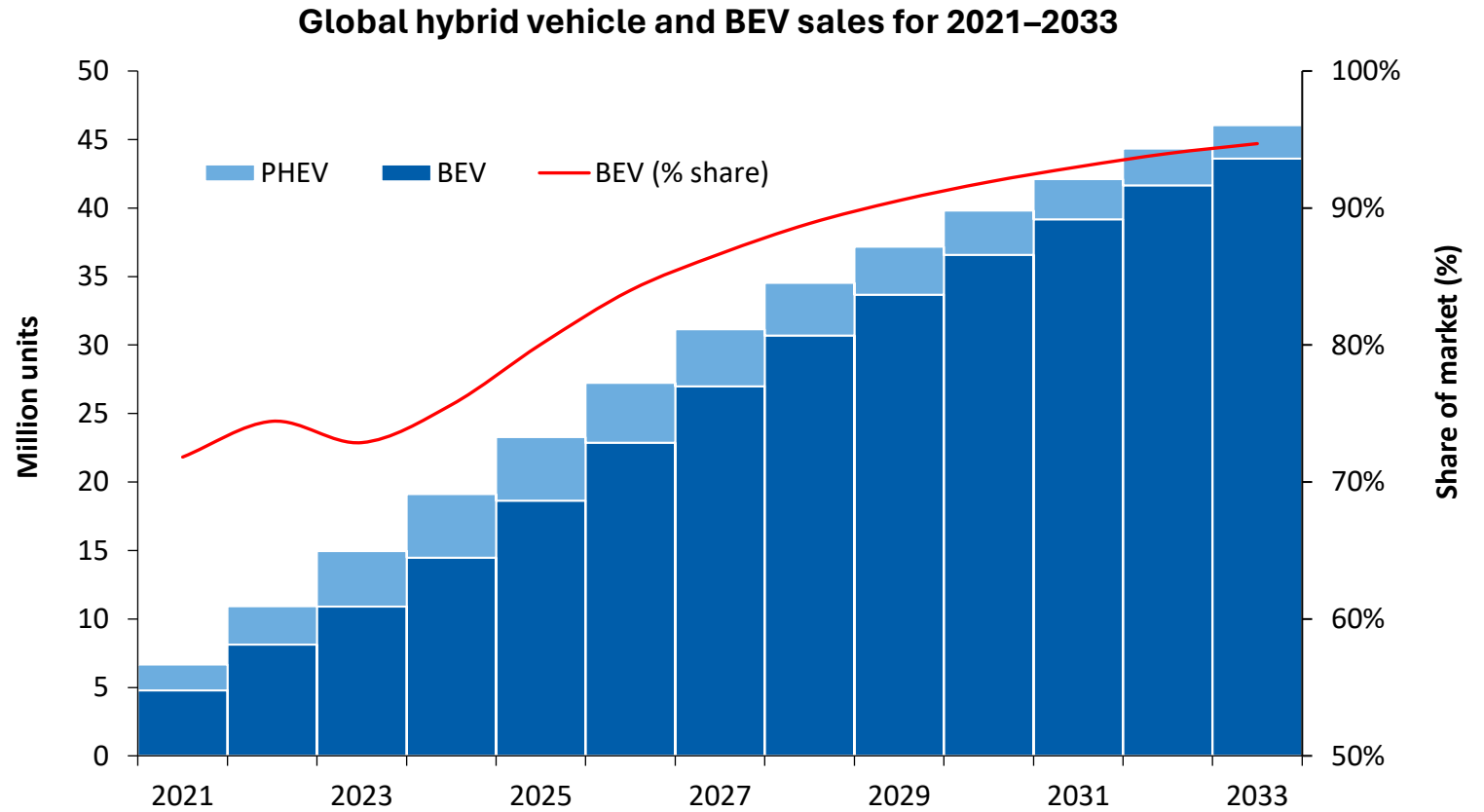
Portions of the scientific and technical information relating to the Carina Module contained in this presentation are based on assumptions, qualifications, procedures and other information which are not fully described herein but are set out in the Technical Report. Reference should be made to the full text of the Technical Report which has been filed with the Canadian securities’ regulatory authorities in each of the provinces and territories of Canada (other than Québec) pursuant to NI 43-101 and is available for review on the Company’s SEDAR+ profile at www.sedarplus.ca. The mineral resource estimates referred to in this presentation have been calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) “Standards on Mineral Resources and Reserves, Definitions and Guidelines” dated May 10, 2014 prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM.

Barry Murphy, the Chief Operating Officer of the Company, is a “qualified person” within the meaning of NI 43-101 and has reviewed and approved of the scientific and technical disclosure in this presentation. Mr. Murphy is not independent of the Company within the meaning of NI 43-101.

Rare earths are not rare. What has changed?



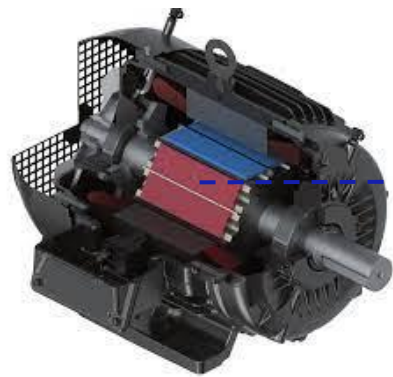
Source: The Economist



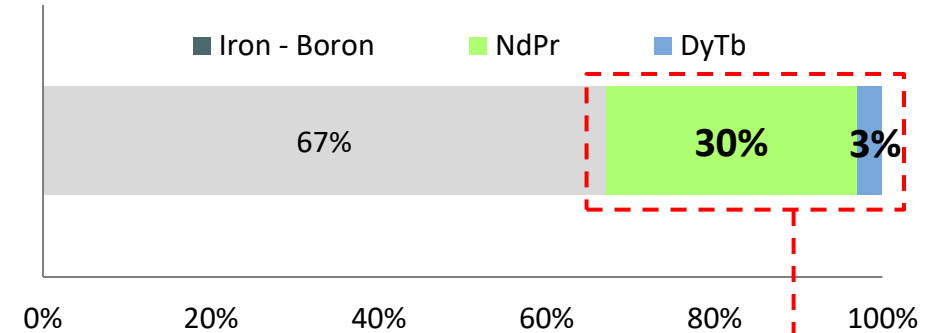
Source: Argus

THE WORLD NEEDS A QUICK ENERGY TRANSITION TO MEET WORLD CLIMATE GOALS

Rare Earth Permanent Magnet Motor for EVs



NdFeB magnet composition

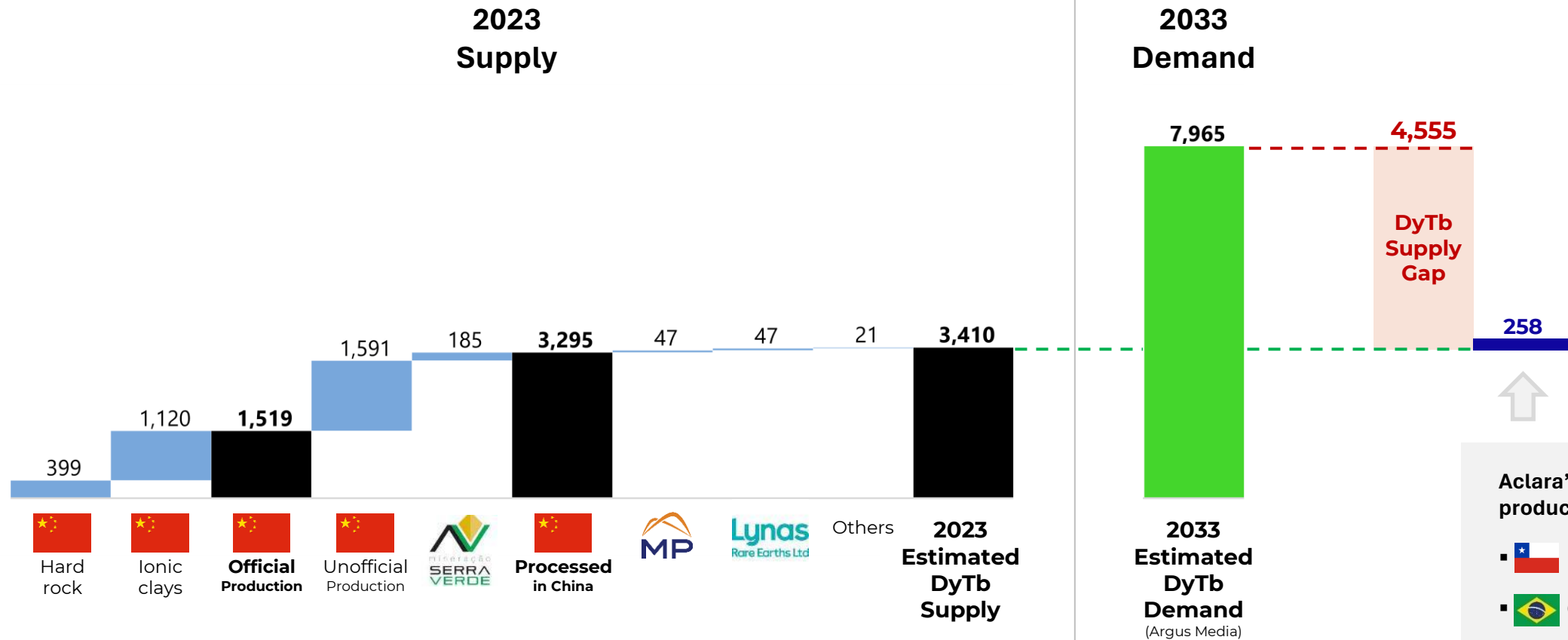


- ✓ **Compact:** lower size and weight
- ✓ **Strength (fast and agile):** quick acceleration resulting from the **highest torque density**
- ✓ **Highest efficiency and lowest cost:** lower energy use reduces battery costs in up to 30% (lower lithium, cobalt & nickel content)

EV permanent magnets require a proportion of **NdPr / DyTb of 10:1**

**THE ELECTRIC REVOLUTION REQUIRES EFFICIENCY
IN ORDER TO REDUCE ENERGY CONSUMPTION**

DyTb - Estimated 2023 Supply vs. 2023 Demand (in tonnes)



Aclara's expected annual production

- Penco: 50
- Carina : 208

~6% of 2023 supply Gap

SIGNIFICANT DyTb SUPPLY SHORTAGE EXPECTED

*Source: The Chinese Ministry of Industry and Information Technology. Elements approximation based on mines grades

** Source: Argus Media based on customs reports as of November 2023. (REO content of ionic clays carbonates of 40%). Others from USGS 2023 Rare Earths report (customs reports)

*** Source: Company presentation (08,2021): Serra Verde Geology, expected production slide. Press release (January 11, 2023) Serra Verde, a Denham Capital portfolio company, announces investment by Vision Blue Resources and The Energy & Minerals Group as well as appointment of new leadership team .

1 Multi-modular Heavy Rare Earth Company

- ✓ 2 top class ionic clay deposits
- ✓ Geopolitically diversified in Chile and Brazil

2 Significant production potential of critical elements Dy & Tb

- ✓ Carina represents 13.7% and Penco 3.3% of Chinese official production*
- ✓ Aclara's DyTb production will more than double of the production of MP Materials and Lynas Rare Earths COMBINED

3 Sustainable technology already demonstrated

- ✓ Fully owned pilot plant offers a technical advantage

4 Strategy in place for vertical integration

5 Solid financial position

- ✓ Raised US\$100 million on the TSX in December 2021
- ✓ US\$ 33M in cash as of December 2023, no debt
- ✓ Backed by Hochschild Group
- ✓ Local strategic partner in Chile (20% ownership in the subsidiary): CAP ([link](#))
- ✓ Market cap. of \$52M, with an Enterprise Value of -\$10M

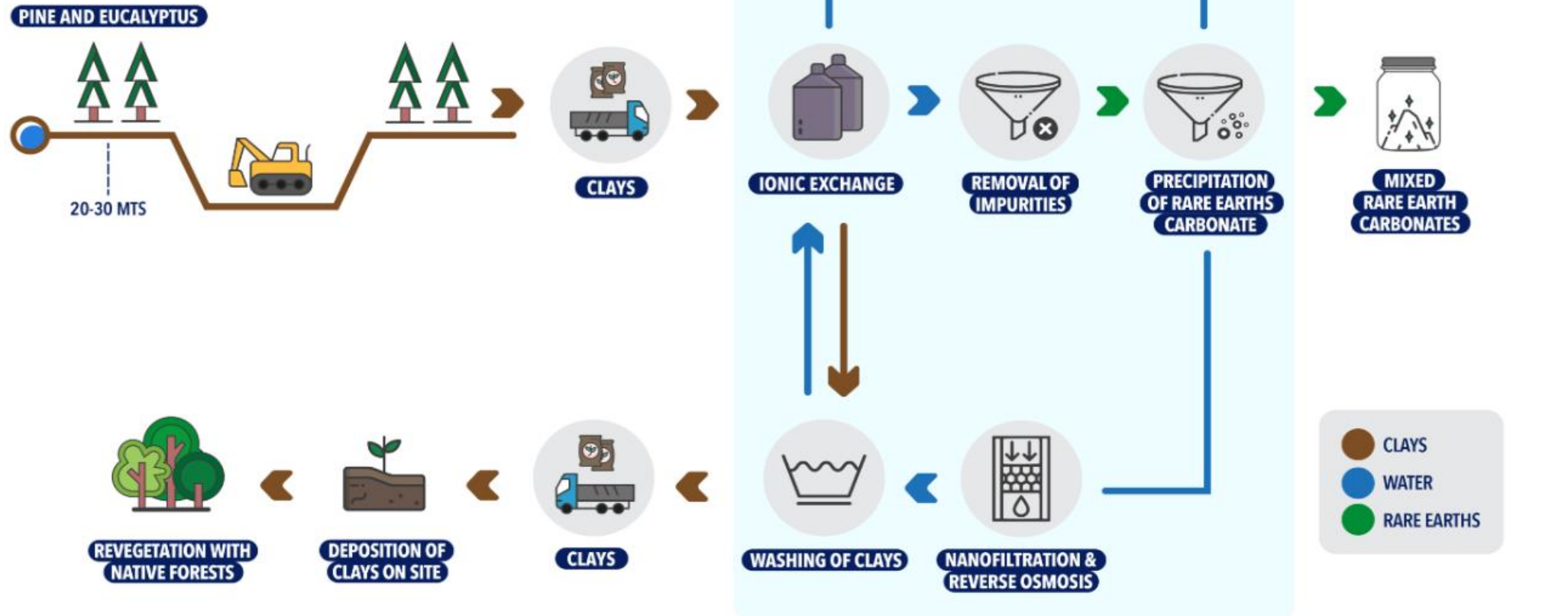


ACLARA AIMS TO BE THE MARKET LEADER IN SUSTAINABLE HEAVY RARE EARTHS

* Source: The Chinese Ministry of Industry and Information Technology published their 2023 rare earth oxides quotas for mining production in China at 255,000 tonnes (235,857 tonnes for light REEs and 19,143 tonnes for heavy REEs). The resulting production of DyTb is approximately 1,520 tonnes.

A unique process

A process developed by **Aclara** validated by the **University of Toronto**



**A SIMPLE PROCESS WITH LOW TECHNICAL RISK
AND HIGH ENVIRONMENTAL COMPLIANCE**



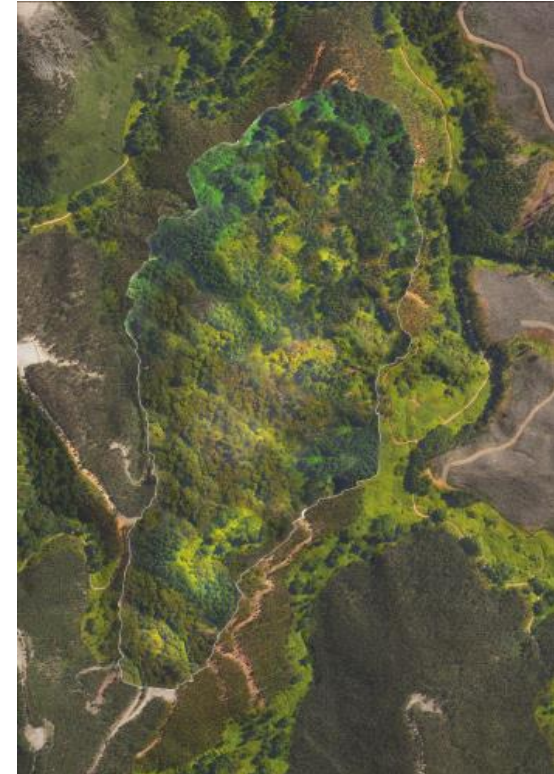
Current status:
forestry industry
platforms



Extraction plan:
shallow mining
(25m depth on average)



Reclamation:
Revegetation with
native species



Example: Victoria Norte extraction area in the Penco Module

RECOVERING THE ENVIRONMENTAL VALUE OF THE PROJECT AREA

Sustainability at our Core



- Casa Aclara in Penco
- Twice visited 8,000 homes
- Social Media: SomosAclara
- Independent Polls



- Zero water taken from natural sources
- >95% water recirculated within the process

WATER



REFORESTATION



- 8,000 Naranjillos being donated
- Exchanging an artificial forest for a natural one



DIALOGUE



DIVERSITY



JOBS

- Prioritizing local workers & suppliers
- Technical training already happening



- 50% women in our team
- Joined women in Mining (WIM)



@somoaclara





@aclara.br

WE LISTEN TO OUR COMMUNITIES AND REACT PROACTIVELY TO THEIR PRIORITIES

Aclara's HREE Ionic Clay Deposits



	Penco Module * 	Carina Module ** 
Life of Mine	14 years	17 years
Annual avg. DyTb production (in tonnes)	50	208
Post-tax NPV_{8%}	US\$128M (23% IRR)	US\$1.2B (29% IRR)
Initial Capex	US\$129M	US\$582M
Avg. Cost and Net Smelter Return (NSR)	13.6 US\$/t NSR at 40.7 US\$/t	13.1 US\$/t NSR at 49.1 US\$/t
Start of Operation	2027	2029
Piloting works	Completed	Completed
Development Status	FS in progress	FS in progress

* Ni 43-101 Preliminary Economic Assessment effective date: September 15, 2021

** Ni 43-101 Preliminary Economic Assessment effective date: November 3, 2023



+77 years of mining, steel refinery, ports and other businesses, with **longstanding relationship with the Chilean government and local communities.**



- Market Cap.: \$1.0T
- Ebitda: \$842MM

Up to US\$80M Strategic Investment (at the Chilean subsidiary)

US\$29.1M capital contribution for 20% equity	US\$50M option for additional 20% (upon obtaining Permit)	+	19.9% option at Aclara Resources Inc. (holding)
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|----- **Strategic significance** -----| |----- **Financial impact** -----|



CAP has a successful track record obtaining environmental permits



Elevates Aclara's execution capabilities and expertises



Re-affirms Aclara as premier heavy rare earth supplier



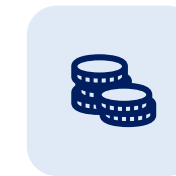
Brings access to metal and alloying capabilities, an important step into vertical integration



Fully funds the Penco module for the next 3-4 years



Reaffirms the IPO valuation of US\$119.5M (pre-money)



Potential anchor for future capital needs



Funds R&D aimed at vertical integration opportunities

Aclara's Vertical Integration Plan

Heavy Rare Earth's value chain



AIMING TO GIVE A FULL SOLUTION TO CLIENTS WHO VALUE A HIGH QUALITY, CLEAN AND SUSTAINABLE PRODUCT

¹ Existing & Future Plants

Looking to Provide a Reliable Long-Term Supply for a Successful Energy Transition



**POSITIONED TO SUPPLY THE EV MARKET AT A TIME
WHEN THE DEMAND IS EXPECTED TO SIGNIFICANTLY OUTPACE THE SUPPLY**



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Ionic Clay sample