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A unique Dysprosium Opportunity

162.500

January 2023

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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 "NI 43-101 Technical Report Preliminary Economic Assessment for Penco Module Project" with an effective date of September 15, 2021 ("Technical Report" or Aclara PEA") prepared by Ausenco Engineering Chile Limitada and authored by Francisco Castillo, Alejandro Solar, Manuel Hernandez, Luis Oviedo, Scott Weston, Scott Elfen and Gavin Beer, 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 Penco 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.sedar.com. 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.

Why are we here?

Origin	Annual REO				
	Total	Pr	Nd	Tb	Dy
China – hard rock (2021)*	135,000	4,878	17,110	67	159
China – Ionic Clays (2021)*	19,150	880	3,264	159	962
Myanmar – Ionic Clays (2021)**	42,850	833	2,825	345	2,315
USA – Mountain Pass (2021)	43,000	1,849	5,160	26	22
Australia/Malaysia – Mt. Weld (2021)***	22,000	1,210	4,251	20	55
Others (2021)	18,000	929	3,263	16	45
Total (2021)	280,000	10,578	35,873	633	3,558
Grouped Total	280,000	46,452		4,191	
Demand (2031)	560,000	92,903		8,382	
New REO production required by 2031	280,000	46,452		**4,191**	

Source: John R. Goode ARSM, FCIMM, FAusIMM, Peng, Baotou Research Institute of Rare Earths

*Chinese production quotas: in 2022 LREE increased to 190,850tn and Ionic Clays was maintained
**Myanmar supply in 2022 fell to 20,000tn of ionic clays REO concentrate
***Lynas production in 2022 fell to 15,970tn of REO concentrate due to COVID impact

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Who are we?

Aclara is a company focused on the production of **heavy rare earths** listed in the **Toronto Stock Exchange (TSX).** Its principal shareholder is the **Hochschild Group**, a recognized economic group with more than **100 years of experience** producing in the Americas

CRITICAL ELEMENTS TO FIGHT THE CLIMATE CHANGE

SUSTAINABLE PRODUCTION

SOCIAL VALUE

The Company´s current emphasis is on the development **of the Penco Module project**, an **Ionic Clays deposit** located in the south of Chile and one of the few outside of China

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Why Aclara?

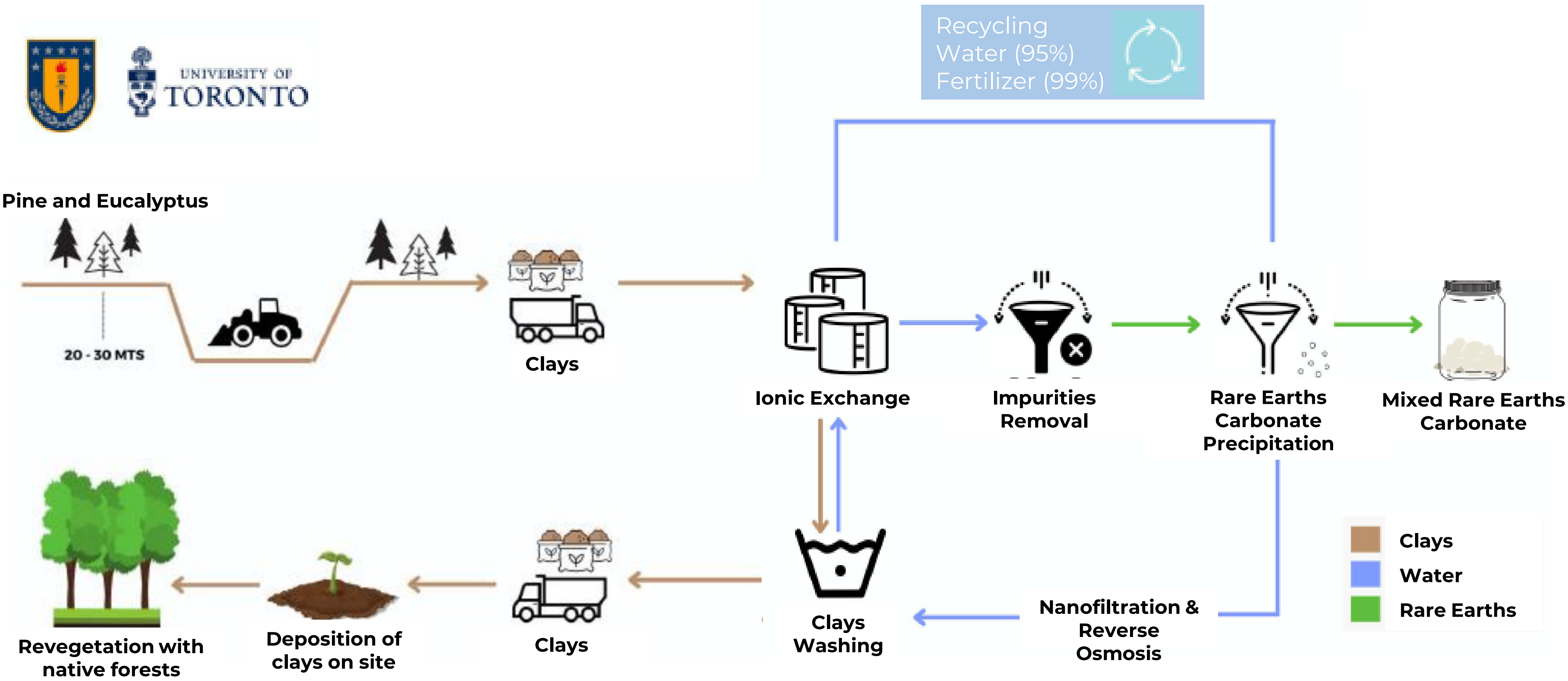
- Rare supplier of very scarce Dysprosium outside of China and Myanmar
  - ✓ Typical rock deposits like Mt. Weld and Mountain Pass do not contain enough Dy to satisfy demand
- Ionic clay deposit is the main competitive advantage
  - ✓ One of only three known deposits
  - ✓ High contents of DyTb and other Heavy Rare Earths
  - ✓ Low investment: project capex of US$ 130m for the Penco Module
  - ✓ No radioactivity
- Unique environmental quality
  - ✓ Patented process
  - ✓ Very low carbon footprint
  - ✓ Recycling of water and reagents and no waste
  - ✓ Traceability

Why Aclara?

- Early availability of material in 2026
- Significant growth by incorporating more production modules
- Chile, a Western friendly jurisdiction: Credit rating A2/A/A-
  - ✓ Outstanding access to infrastructure
- Solid financial position
  - ✓ Raised US$100 million in the Toronto Stock Exchange in Dec 2021
  - ✓ Very strong balance sheet with no debt
- Strong corporate culture
  - ✓ Owned by Hochschild, more than 100 years in mining operations in the Americas
  - ✓ Highly reputable Board

A unique process

A process developed by **Aclara** in collaboration with **University of Toronto** & **University of Concepción**



A SIMPLE PROCESS WITH LOW TECHNICAL RISK AND HIGH ENVIRONMENTAL COMPLIANCE

Outstanding process attributes

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NO USE OF EXPLOSIVES
Simple extraction method requires only loading and hauling

NO CRUSHING OR MILLING
Minerals are easily liberated with minimal energy requirements

NO TAILING DAMS
No solid or liquid residues; washed clays placed back on site

RECYCLING
95% of water used and 99% of reagents (common fertilizer)

FREE OF RADIOACTIVITY
No radioactivity or harming elements in the process or in the end product

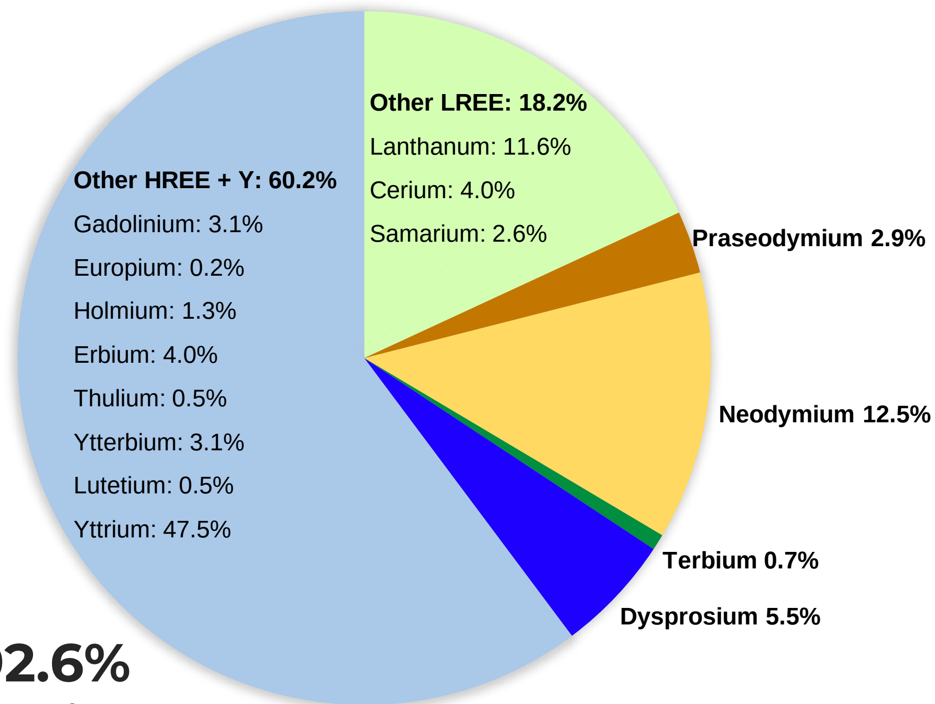
REVEGETATION WITH NATIVE SPECIES
100% of impacted area will be revegetated with Queule trees and native species

A NEW PROCESS THAT WILL REVOLUTIONIZE AN INDUSTRY FAMOUS FOR ITS NEGATIVE IMPACT TO THE PLANET

**By Business Intelligence Group*

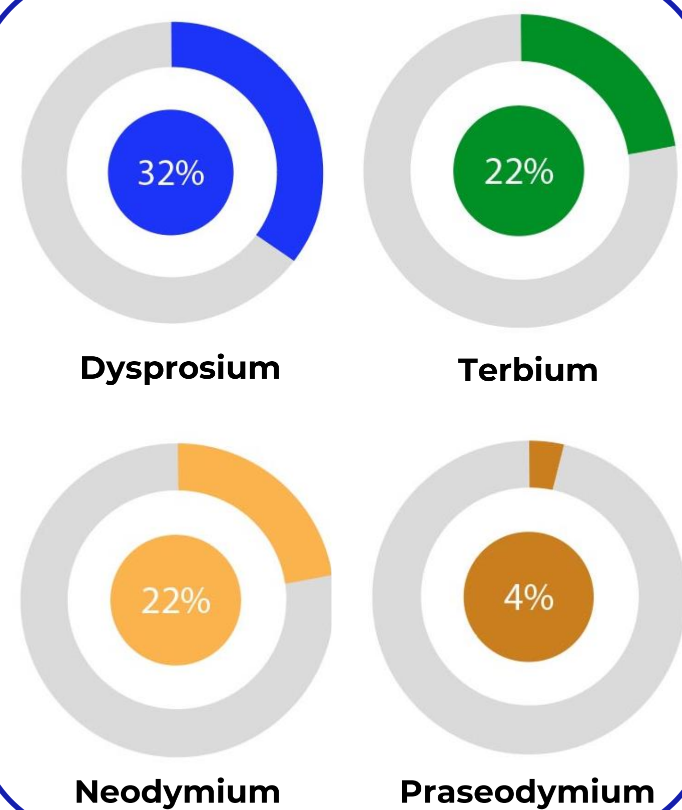
Exceptional Product: High Purity, Heavy Rare Earths Carbonates

Product Distribution by weight – REO (%)



92.6% Purity

Basket Value Composition (%)[1]



80% Magnetic Elements

NO RADIOACTIVY IN THE PROCESS OR PRODUCT

Source: Aclara PEA
(1) Estimate of revenue share (%) per element from the Penco Module, calculated by multiplying estimated concentrate production in the PEA Report by long-term REE price estimates prepared for the Company by Argus and Adamas

Time to production

	2022		2023		2024		2025		2026		2027	2028	2029	2030
Milestone	**H1**	**H2**	**H1**	**H2**	**H1**	**H2**	**H1**	**H2**	**H1**	**H2**	**FY**	**FY**	**FY**	**FY**
Module 1: Penco														
Resource Drilling	New Resource Estimation		Increased resources +6.4mt to 29.2mt (approximately 15 year LOM)											
Pilot Plant				Construction in progress. Expected to be completed by the end of Q2.										
Feasibility Study		NI 43-101 Feasibility Study			PEA NI 43-101 completed. Feasibility study in progress									
Environmental Permit						In the final stage of the EIA preparation								
Plant construction and ramp up														

HREE CONCENTRATE AVAILABLE IN EARLY 2026

What does this mean in terms of EVs production?

NdFeB Magnets Composition

Main Elements	% by weight
NdPr	29% - 32%
Iron (Fe)	64.2% – 68.5%
Boron (B)	1.0% - 1.2%
Aluminum (Al)	0.2% - 0.4%
Niobium (Nb)	0.5% -1%

The problem

EV motors are cooled but they do run at ~200 °C

Starts losing its magnetic properties at a temperature over 80 °C

The solution

Adding HREE improves the magnet temperature operation up 240 °C

3% Dy/Tb is the amount required for EV magnets

An EV uses between

2-3 kg of high performance permanent magnets

EVs DyTb oxides requirement

DyTb = 60-90gr

Penco Module will supply

DyTb = 50 tonnes per year

FIRST MODULE ENSURES DyTb FOR ≈1,000,000 EVs PER YEAR

Risks

1. Environmental Permit
   - Penco Module
     - ✓ Original EIA withdrawn to improve technical, environmental and social aspects
     - ✓ New permit to be submitted Q2 2023
     - ✓ Approval expect within one and a half years
   - New Modules: Permitting is the bottleneck and can take approximately three years
2. Financing
   - Currently financed (≈US$ 67million) for
     - ✓ Pilot plant
     - ✓ Penco Module feasibility study
     - ✓ Penco Module permitting
     - ✓ Exploration
     - ✓ Initiate permitting and engineering of new modules
3. China
   - Price volatility for REE reduces opportunities for project financing and funding expansions
   - Interest in retaining dominant position of rare earths market

Strategic opportunities

- Significant imbalance between supply and demand of Dysprosium
  - ✓ Demand: EVs, wind turbines and other electromobility applications
  - ✓ Supply: China, Myanmar, Serra Verde (offtake sold to China), Aclara
- Western focus on building a geopolitically independent value chain
  - ✓ Japan: Magnet know how (3 major magnet producers), Lynas for NdPr, but needs Dy
  - ✓ Europe: Net-Zero Industry Act will include sovereignty fund from the EU
    - Several RE separation projects in place: REEtec, Solvay reopening, Carester new plant
    - Magnets: Neo Performance Materials awarded funds to build a magnet plant in Estonia
  - ✓ US: Inflation Reduction Act includes US$ 370 billion funding for clean energy
  - ✓ Australia: government funding available
    - Iluka awarded A$ 1B non-recourse loan to build a REE separation facility
- Growing value for environmentally sound products
  - ✓ Premium for traceable materials
  - ✓ Negative press on questionable rare earths sourcing

Conclusion

- Aclara is still a project but is the most credible alternative for the West to ensure a complete and balanced supply of rare earths
- Supply available as early as 2026
- Dysprosium will not be available to everyone
- Ionic clays and Aclara's patented process allows for Clean REE that not even China can supply
- Next steps
  - ✓ Pilot plant to produce material samples
  - ✓ Exploring offtake agreements
  - ✓ Exploring integration into a Western value chain

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