



**A unique  
Dy & Tb  
Opportunity**

June 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](http://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.

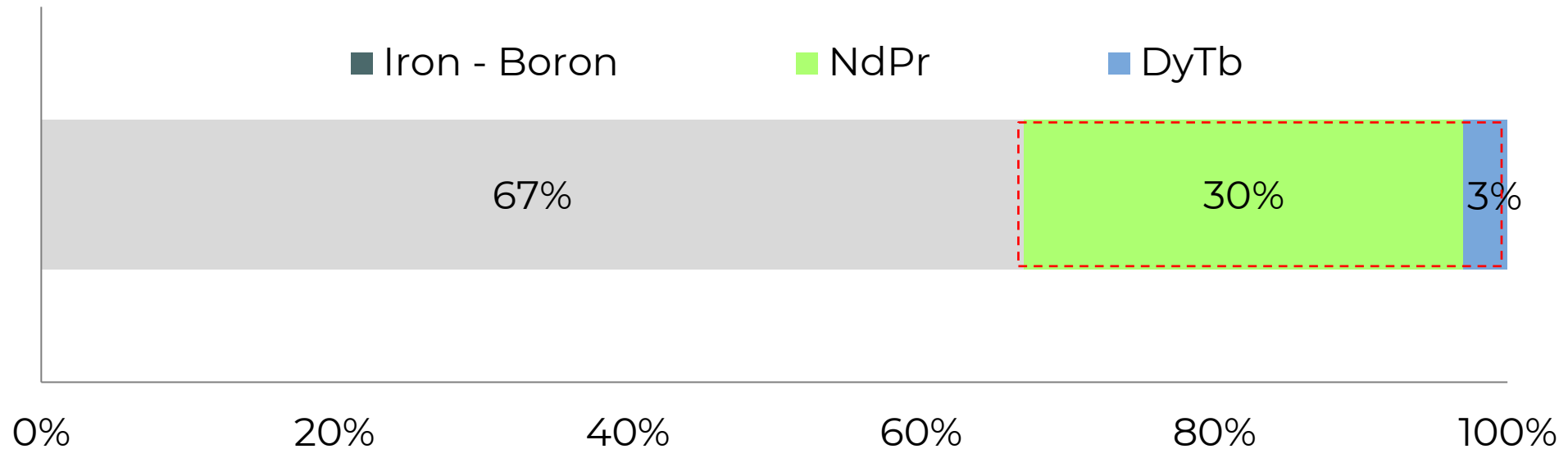
Barry Murphy, the Chief Operating Officer of the Company, is a "qualified person" within the meaning of NI 43-101 and has reviewed and approved of the scientific and technical disclosure in this presentation. Mr. Murphy is not independent of the Company within the meaning of NI 43-101.

# EV Permanent Magnets Require a Balanced Ratio of REE



## EV Permanent Magnets Composition Overview

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Proportion of NdPr / DyTb of **10:1**



# What is the Ratio in Nature?

## Hard Rock / Mineral Sands Operations & Projects



Primary REOs:	NdPr
NdPr / DyTb Ratio	[100-200]:1
% of Projects in the World	≈95%

## Ionic Clay Projects




Primary REOs:	DyTb
NdPr / DyTb Ratio	[2.5-7]:1
% of Projects in the World	≈5%

Aclara is One of the Very Few Ionic Clay Deposits Outside of China

# Official Rare Earths World Supply 2022 vs. Future Demand



2022 Supply		Annual REO			Ratio
		Total REO	NdPr	DyTb	NdPr/Dy Tb
	China – hard rock	190,850	42,021	329	128
	China – Ionic Clays	19,150	4,144	1,121	4
	Myanmar – Ionic Clays	12,000	2,597	703	4
Controlled by China		222,000	48,762	2,153	23
ROW	USA – Mountain Pass	43,000	7,009	47	149
	Australia/Malaysia – Mt. Weld	18,000	6,000	50	124
	Others	18,000	3,233	44	73
RoW		79,000	16,242	160	102
Total Demand in 2033			123,933	8,203	15
Additional Supply Required by 2033			58,929	5,909	10

The World Urgently Needs a Credible Source of Dy & Tb



# Some Inevitable Conclusions...



**Permanent Magnets will not be available to all EV producers by 2030**

**The West needs to produce more DyTb faster**

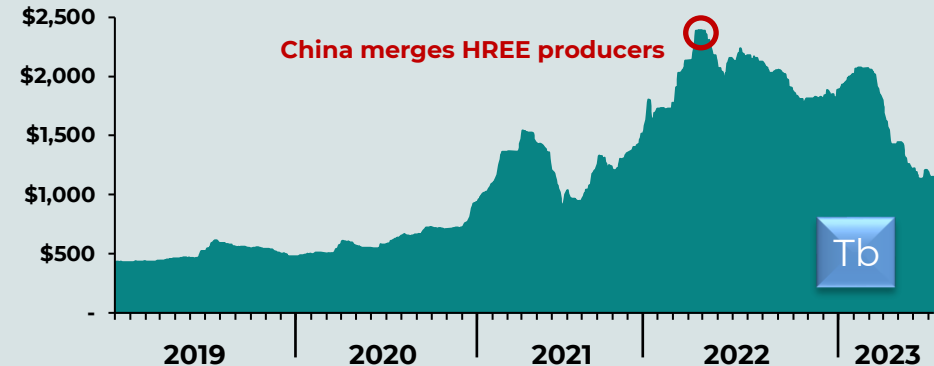
# Is There a Price Incentive to Produce More DyTb in the West?

- REE prices **only published by China**
- Current Rare Earths oxide prices **do not reflect observable transactions**
- There is **no liquidity** behind these prices
- Existing prices **do not reflect an environmental and social cost structure** under Western Standards

Dysprosium Oxide - Dy<sub>2</sub>O<sub>3</sub> (\$/kg)



Terbium Oxide - Tb<sub>4</sub>O<sub>7</sub> (\$/kg)



The REE Industry Requires Alternative Prices that Incentivize Sustainable Production of REE



# Aclara at a Glance

- **Penco Module is an ionic clay deposit with a NdPr/DyTb ratio of 2.5:1**
  - ✓ Located in Chile (A- S&P credit rating)
- **Goal is to produce in early 2026**
  - ✓ Currently being permitted
  - ✓ Low construction capex at US\$ 130M
  - ✓ US\$ 55M in cash, no debt
- **Initial plan to produce 50 tonnes annually of DyTb in a high purity concentrate**
  - ✓ Plan to significantly increase capacity before 2030

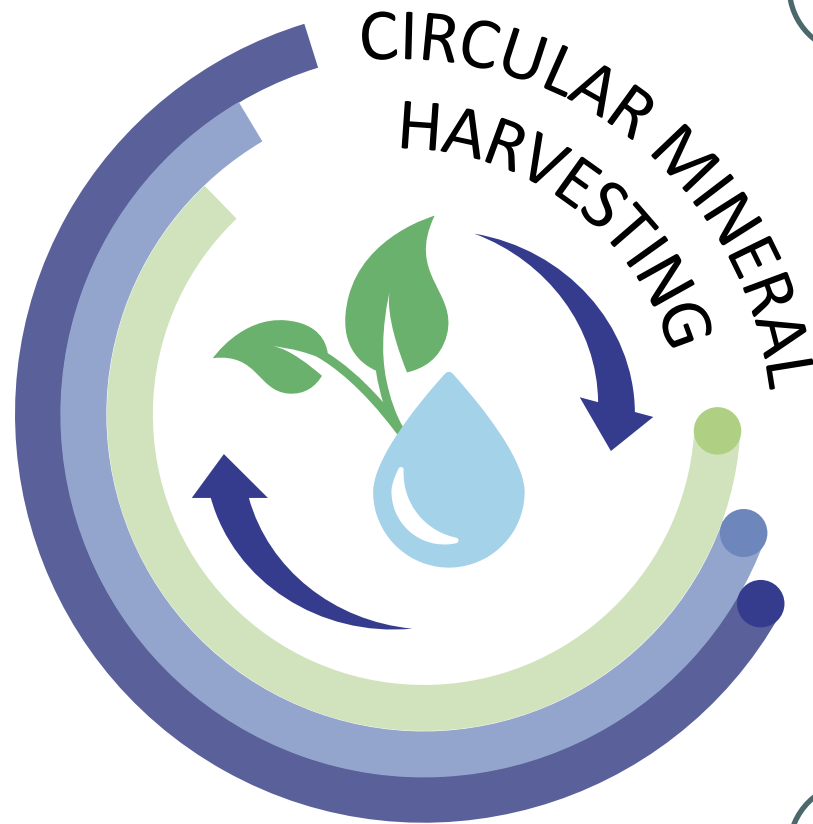
**Mini Pit to Feed Pilot Plant**



**DyTb production from the Penco Module will contribute to the manufacturing of approximately 1 – 1.5 million EVs annually for 15 years**



# Patented Award Winning Process



## FULLY SUSTAINABLE WATER SOURCE

100% of the water used will come from a recycled source



## NO USE OF EXPLOSIVES

Simple extraction methods requires only loading and hauling



## NO CRUSHING OR MILLING

Minerals are easily liberated with minimal energy requirements



## NO TAILING DAMS

No liquid residues; washed clays placed back on site



## RECYCLING

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



## FREE OF RADIOACTIVITY

No Uranium or Thorium in the process or in the end product



## REVEGETATION WITH NATIVE SPECIES

100% of impacted area will be revegetated with native species



**A New Process Based on Circular Economy Principles**

# Pilot Plant in Concepción, Chile



**First Sample of High Purity Heavy  
Rare Earths Concentrate**

**Pilot plant in operation since early June 2023**

# Positioned to Supply the EV Market at a Time When Demand is Expected to Significantly Outpace Supply



**Aclara has No Offtake Committed Yet**





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