



Revitalizing the Supply of Heavy Rare Earths

Piloting Plant

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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

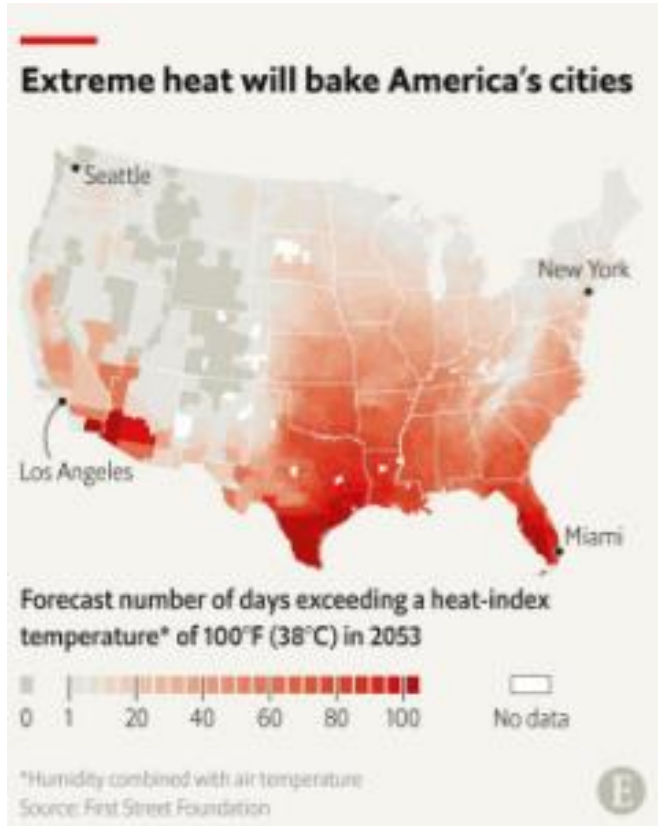
This presentation also contains references to estimates of Mineral Resources. The estimation of mineral resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The accuracy 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.

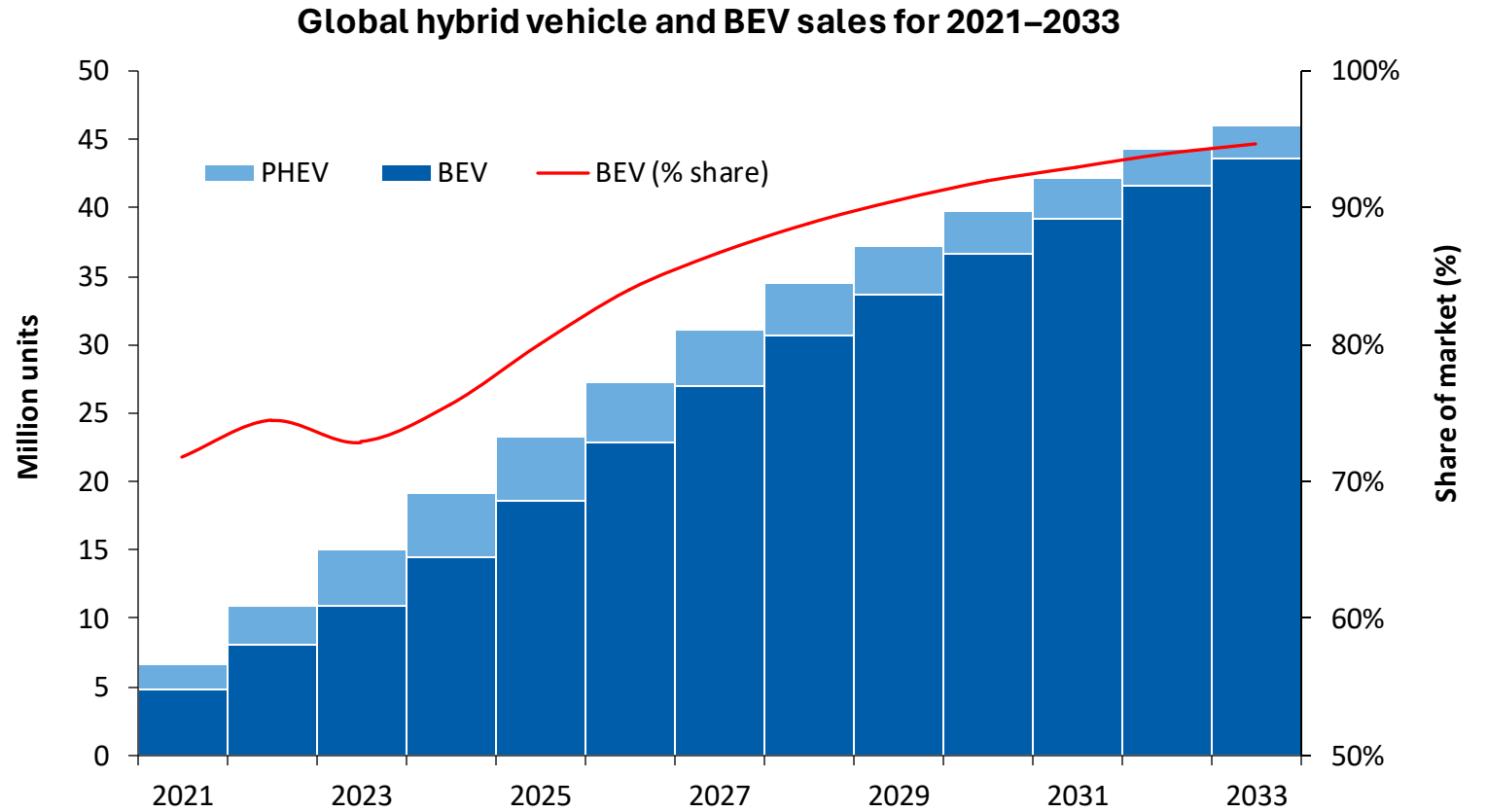
Portions of the scientific and technical information relating to the Carina Module contained in this presentation are based on assumptions, qualifications, procedures and other information which are not fully described herein but are set out in the Technical Report. Reference should be made to the full 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?



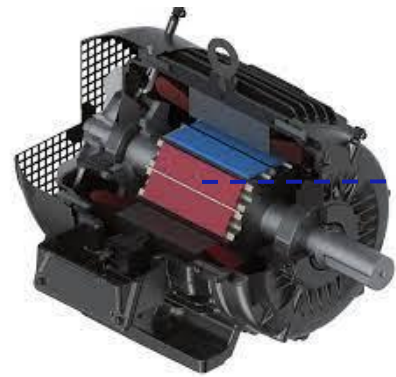
Source: The Economist



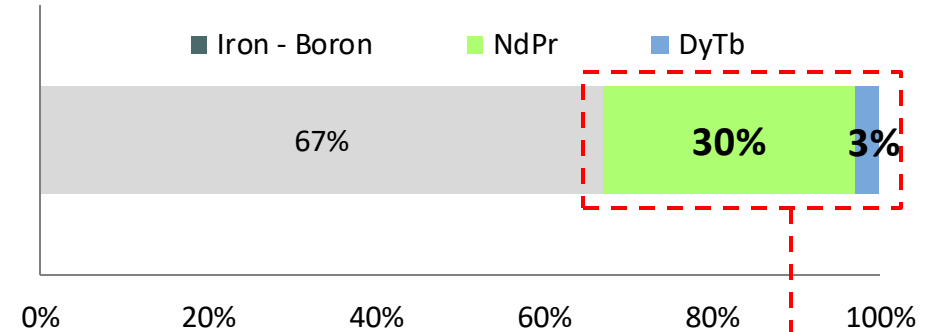
Source: Argus

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**

Types of Rare Earth mining and its Ratio in nature

NdPr / DyTb



Hard Rock / Mineral Sands Operations & Projects

Many other Projects worldwide

Primary REOs¹:



NdPr / DyTb Ratio: **100-200:1**

IONIC CLAY HREE² Projects

Primary REOs¹:

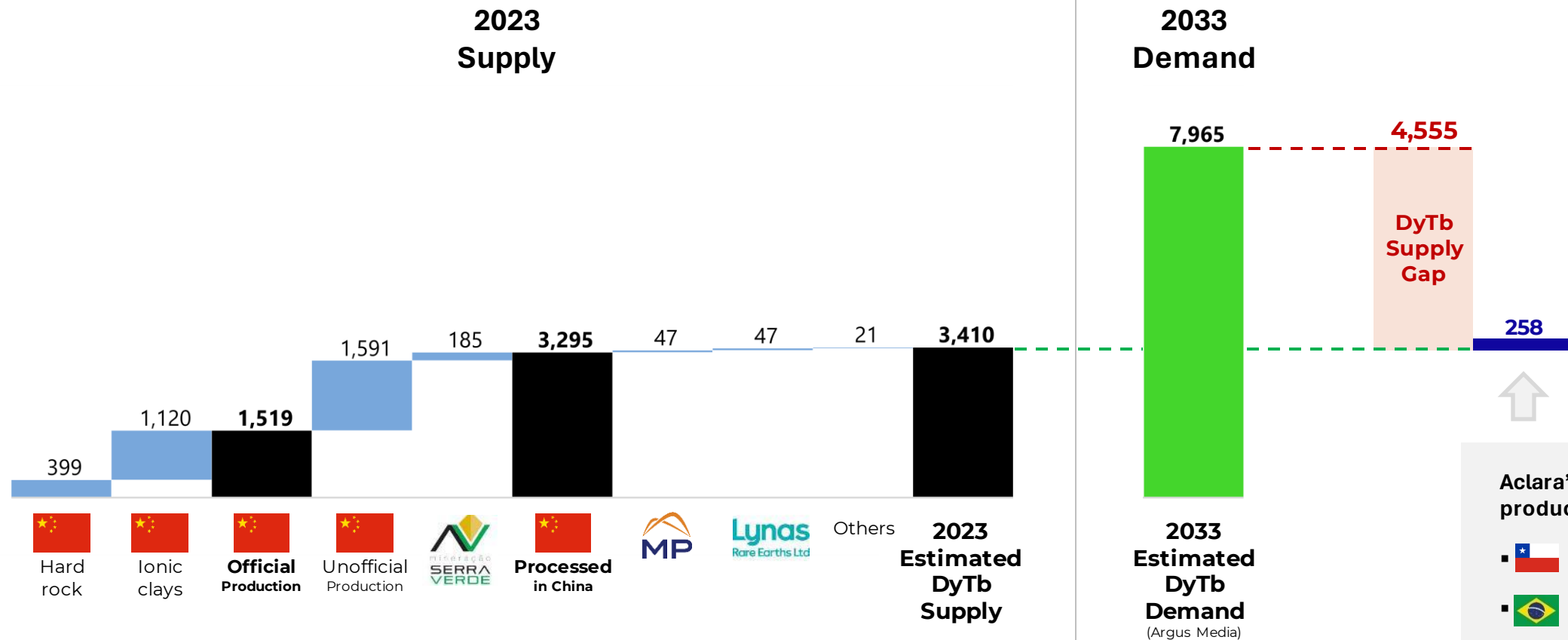


NdPr / DyTb Ratio: **2.5-7:1**

LIMITED DyTb SUPPLY OUTSIDE OF CHINA POSITIONS ACLARA AS THE SUPPLIER OF CHOICE FOR THE ENERGY TRANSITION

¹REO: Rare Earth Oxide
²HREE: Heavy Rare Earth Elements

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



Aclara's expected annual production

- Penco: 50
- Carina: 208

~6% of 2023 supply Gap

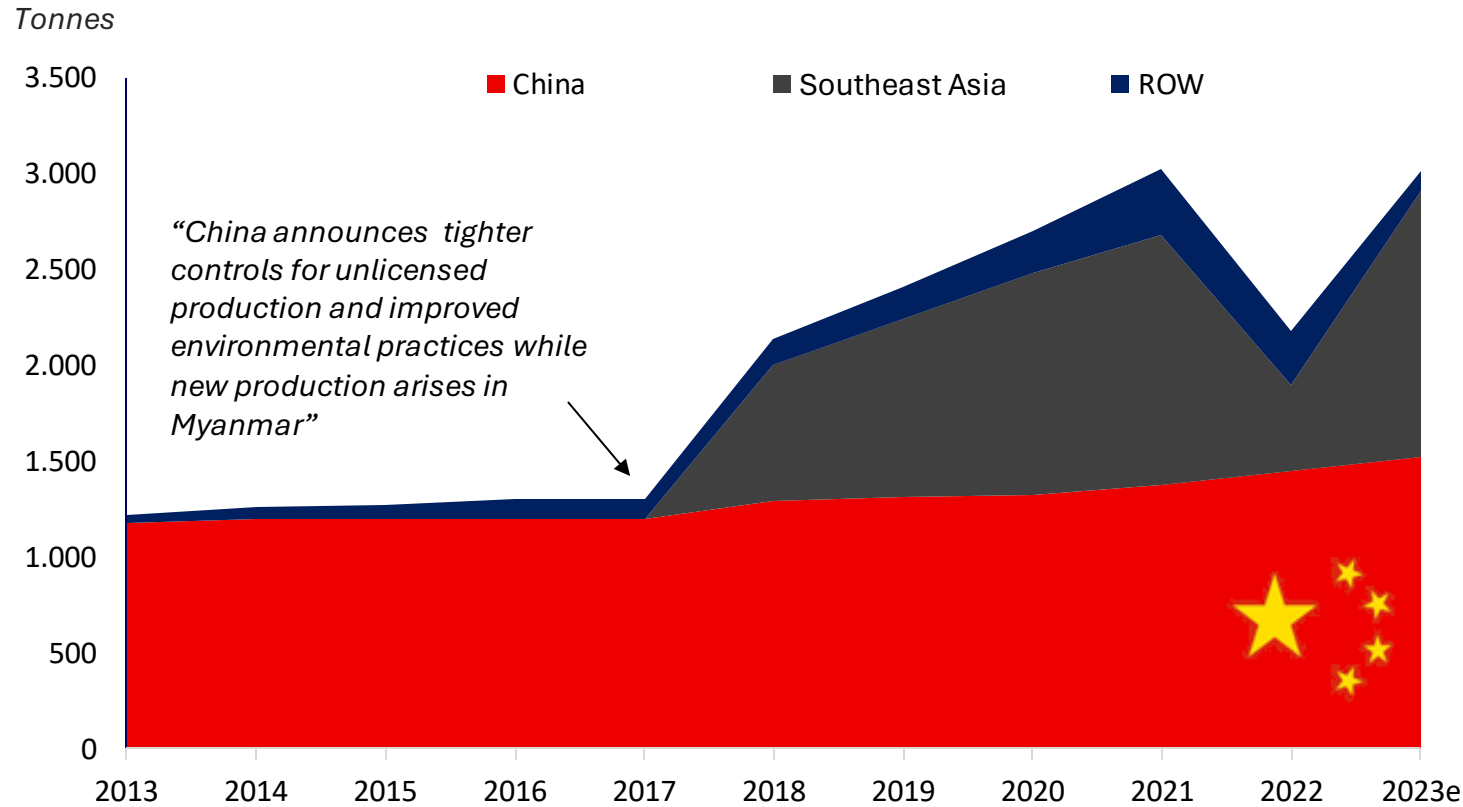
SIGNIFICANT DyTb SUPPLY SHORTAGE EXPECTED

*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.

Global DyTb Supply



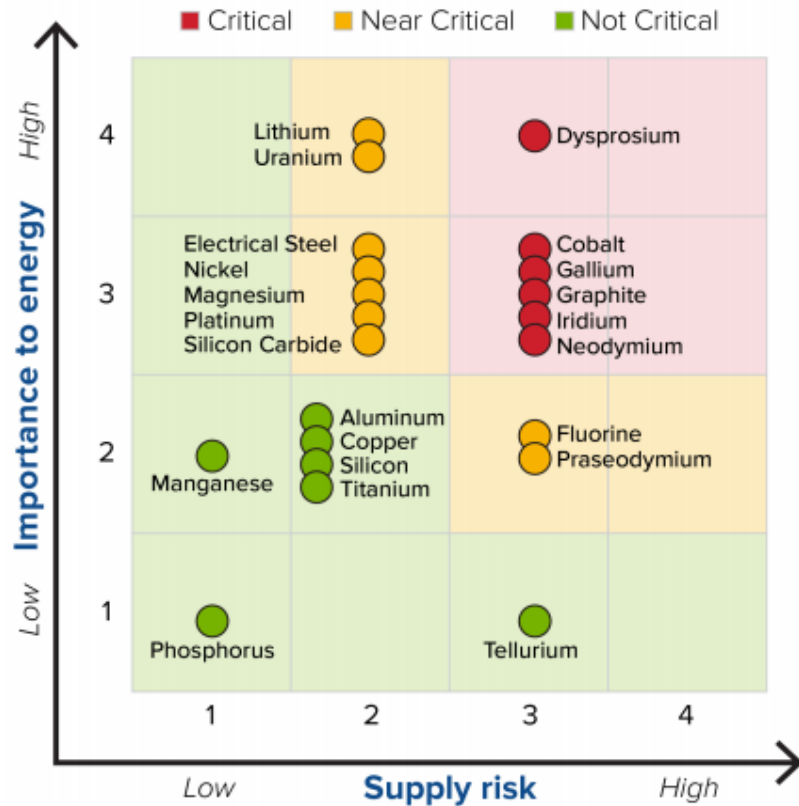
China Official REE Production

Production Quotas ¹	LREE (Tonnes)	HREE (Tonnes)	Total (Tonnes)
2023 H2 & 2024 H1	251,660	18,340	270,000
2023	235,857	19,143	255,000
2022	190,850	19,150	210,000
2021	148,850	19,150	168,000
2020	120,850	19,150	140,000
2019	112,850	19,150	132,000
2018	100,850	19,150	120,000
2014 - 17	87,150	17,850	105,000
CAGR	11.2%	0.3%	9.9%

CHINA DyTb MONOPOLY STRENGTHENED THROUGH SOUTHEAST ASIA (MYANMAR, LAOS, THAILAND, etc.) SUPPLY CONTROL

Sources: REO production based on USGS and DyTb distribution based on papers and press releases: DyTb Production is estimated and does not correspond to official numbers, (1) Ministry of Land and Resources and Ministry of Industry and Information Technology

SHORT TERM 2020-2025



China involved in tier 1 REE operations and projects

Company	Project	Country	Major Shareholder	Chinese Capital ⁽¹⁾	Offtake
MP Materials	Mountain Pass	USA			
Serra Verde	Serra Verde	Brazil		n/a	
Northern Minerals	Browns Range	Australia			
Peak Rare Earths	Ngualla	Tanzania			
Arafura Resources	Nolans	Australia			
Hastings Technology	Yangibana	Australia			

DYSPROSIUM SUPPLY IDENTIFIED AT THE HIGHEST RISK AND IMPORTANCE FOR THE ELECTRIC REVOLUTION

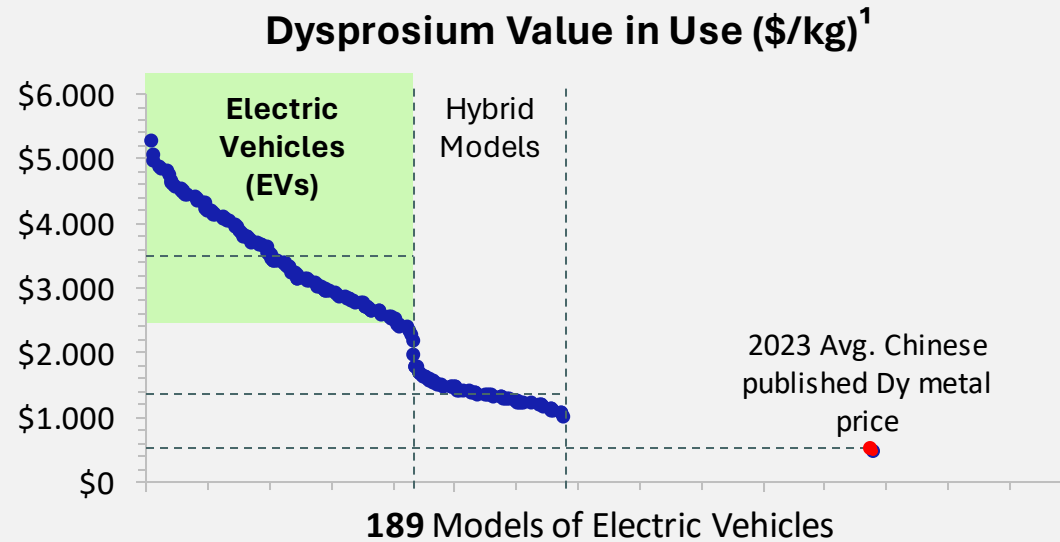
Source: US Department of Energy, Critical Materials Assessment (May 2023) and company disclosure
 (1) Based on Marketscreener companies shareholding overview

Dysprosium Price Analysis



	Current Status		Aclara	
Volume available	✗		✓	
Long-term contracts available	✗		✓	
Observable transactions	✗		✓	
Traceable lots	✗		✓	
International environmental standards	✗		✓	
Geopolitically independent	✗		✓	
Market Price	Bid	Ask	Bid	Ask
	Chinese Price	N.A.	?	Open for negotiation

ACLARA IS EXPECTED TO PRODUCE 5% OF THE WORLD'S DyTb SUPPLY TO CLIENTS FOCUSED ON HIGH PERFORMANCE AND ESG COMPLIANT PRODUCT



Key takeaway

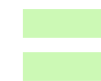
Dysprosium (Dy) value in use in Electric Vehicles (EVs) may vary from **\$2,000 up to \$5,000**.

Significantly more than the Chinese prices (Asian Metals).

Dy content in an EV is approximately 3% (60 grams)



Considering the current² Dy price (\$/kg) of ~\$250, and the usage of Dy per EV of 60 grams, the estimated **cost of Dy per EV** would be



\$15.00

DYSPROSIUM VALUE IN USE SHOWS SIGNIFICANT ROOM FOR PRICE APPRECIATION

¹ Objective: understand the value in US\$ resulting from the efficiencies gained by the EVs permanent magnet motor in comparison to the induction motor. Value in use: supported by the efficiencies gained in the battery

² Price as of March 18, 2024 (source: Asian Metal)

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

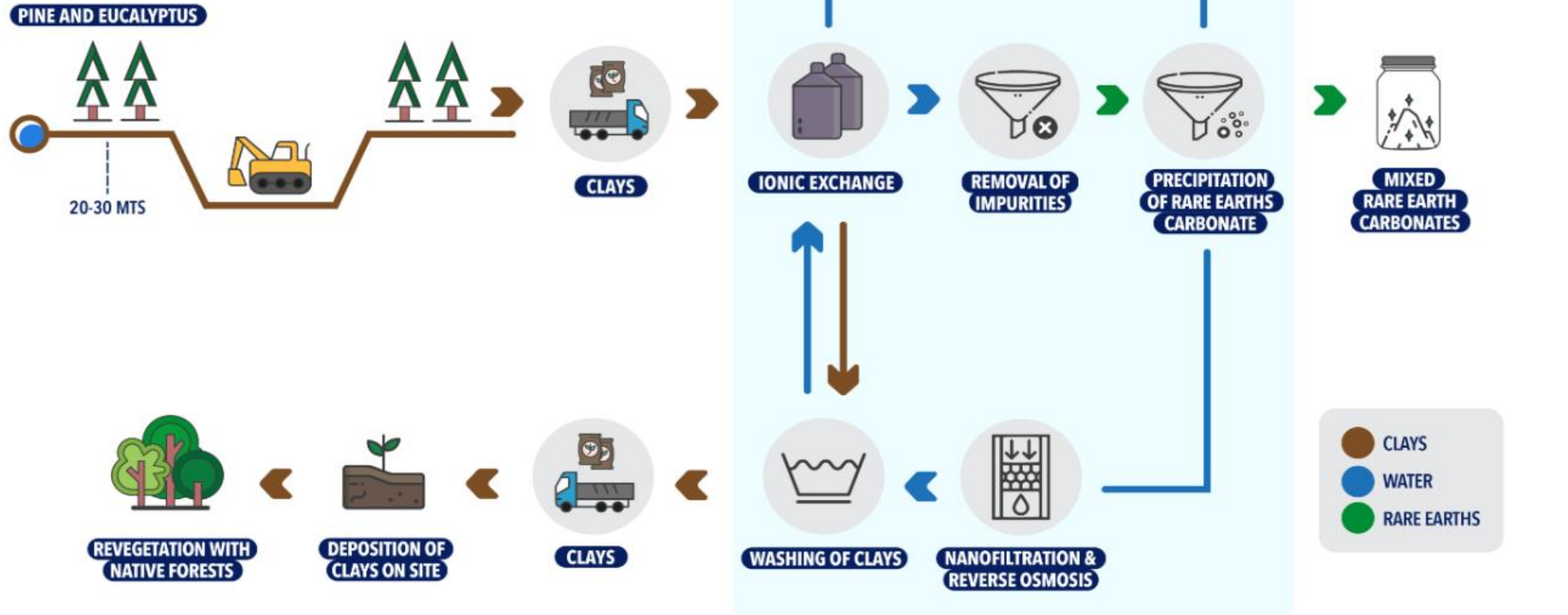


ACLARA AIMS TO BE THE MARKET LEADER IN SUSTAINABLE HEAVY RARE EARTHS

*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



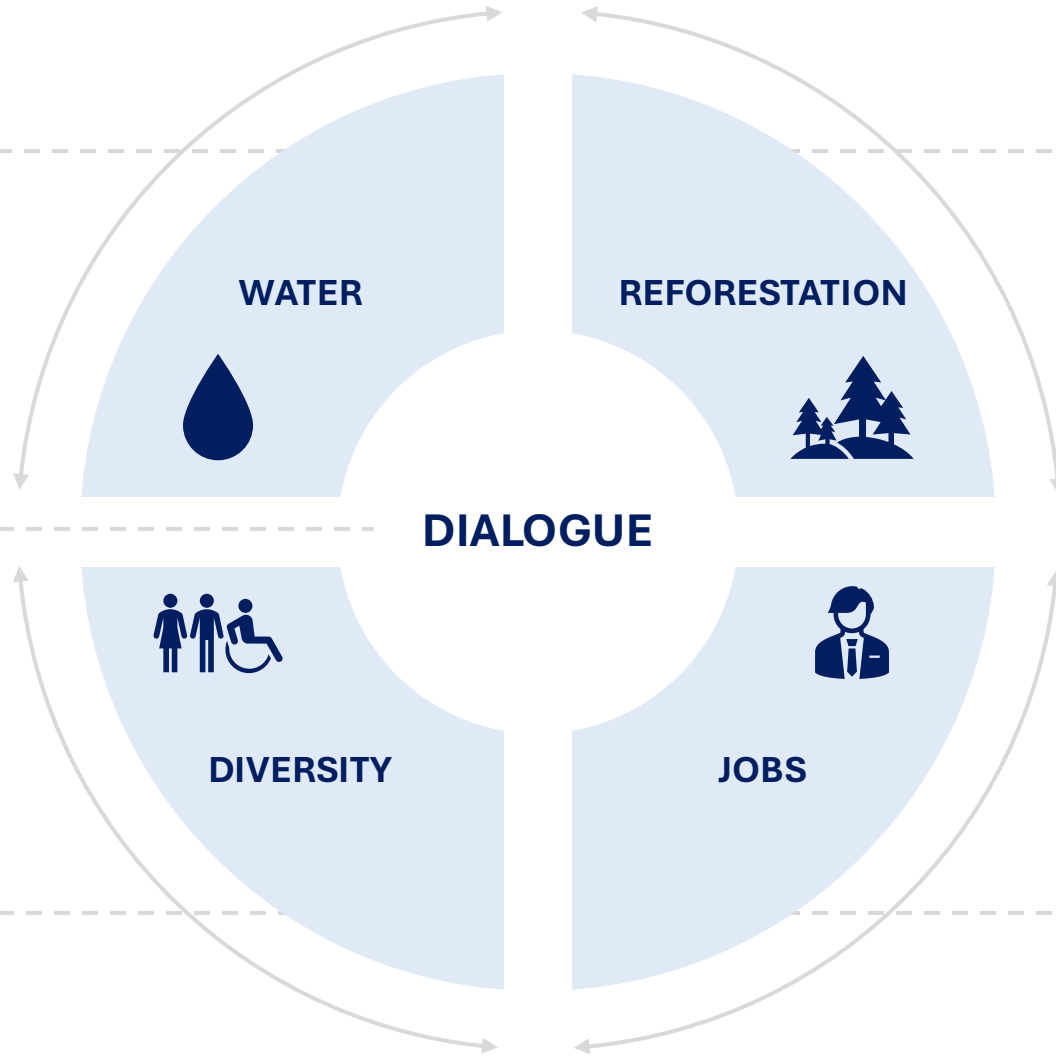
Example: Victoria Norte extraction area in the Penco Module

RECOVERING THE ENVIRONMENTAL VALUE OF THE PROJECT AREA

Sustainability at our Core



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



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



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



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





- Prioritizing local workers & suppliers
- Technical training already happening



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

PEERs Valuation and Operational Comparison



	 aclara	 ionic RARE EARTHS	 METEORIC RESOURCES
Listing	TSX	ASX	ASX
Market Capitalization (a)	US\$52M	US\$52M	US\$312M
Cash position¹ (b)	US\$62M	US\$4M	US\$32M
Enterprise Value (a) – (b)	(US\$10M)	US\$48M	US\$280M
Mine locations	Chile Brazil (state of <u>Goiás</u>)	Uganda	Brazil (state of <u>Minas Gerais</u>)
Measured + Indicated (Mass in Mt)	Chile: 27.5Mt	404Mt	-
Inferred (Mass in Mt)	Chile: 1.7Mt Brazil: 168Mt	127Mt	409Mt
DyTb %	Chile: 6.1% Brazil: 4.8%	3.3%	1.0%
Technical Status	FS in progress (Chile and Brazil)	FS Completed	-
Piloting Plant (continuous operation)	Yes	Yes	No
Permitting	In progress	Completed	In progress
Processing technology	Two patents	-	-

ACLARA PRESENTS MULTIPLE COMPETITIVE ADVANTAGES AND HOLDS GREATER POTENTIAL FOR VALUATION APPRECIATION COMPARED TO ITS PEERS

¹ For Aclara, it also considers the Cash receivable from CAP's investment in its Chilean subsidiary (amounting to US\$29.1M)

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

 **CARINA MODULE****Q1 2024**

- **Piloting:** processing 25 tonnes of Carina's ionic clays at Aclara's pilot plant in Chile completed

Q2 2024

- **Potential mineral resource increase:** drilling already underway

Q3 2024

- **Update PEA:** with potential new inferred mineral resources

2025

- **Complete environmental baselines studies:** already underway, to be used in the EIA study
- **Complete Feasibility Study (FS):** bidding process in progress

 **PENCO MODULE****Q2 2024**

- **Present EIA** to the environmental authority for evaluation

2025

- **Complete Feasibility Study (FS)**

VERTICAL INTEGRATION**Q3 2024**

- **Separation:** complete engineering study

2024

- **Metals and Alloys:** start engineering and testing

AGGRESSIVE PLAN UNDERWAY TO BE IN PRODUCTION AS EARLY AS POSSIBLE

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**



For further information, please contact:

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Website: www.aclara-re.com

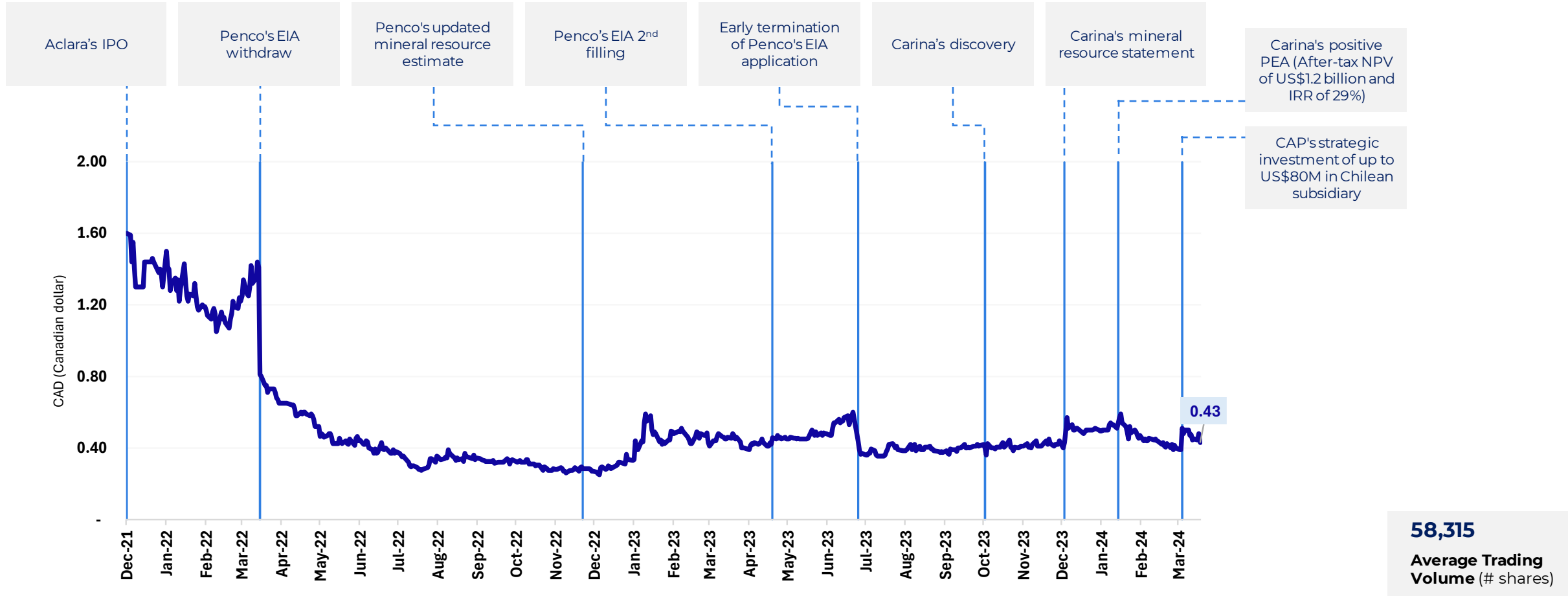
Ionic Clay sample

APPENDIX

APPENDIX I

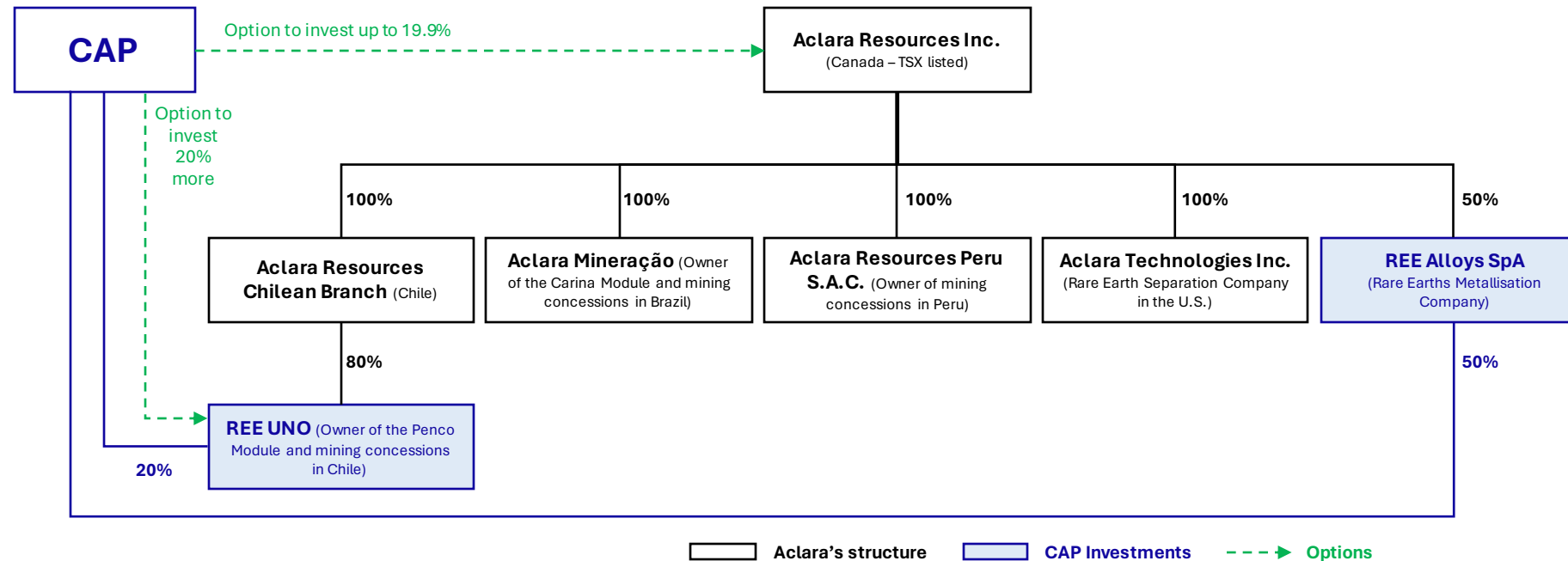
Timeline and recent material fact

Aclara's stock price vs Material News



CURRENT SHARE VALUATION DOESN'T INCORPORATE RECENT MATERIAL NEWS, PRESENTING SIGNIFICANT POTENTIAL FOR FUTURE PRICE APPRECIATION

Aclara Corporate Structure after the Completion of the Transaction with CAP



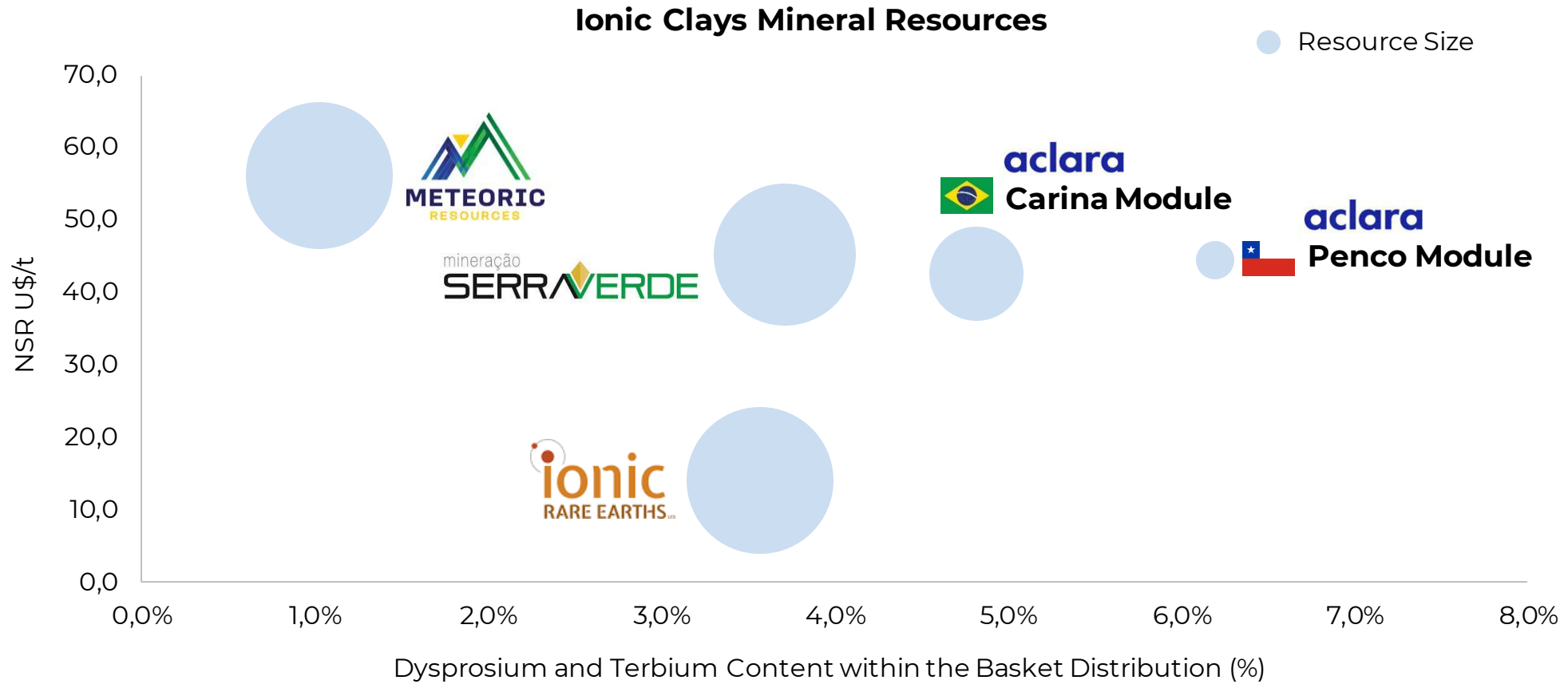
- A **US\$29.1M capital contribution** to REE Uno, in exchange for **20% equity**. **Pre-money valuation of US\$116.5M (REE Uno)**.
- 50/50 joint venture formation (REE Alloys SpA) to **develop metals and alloys for the rare earths EVs permanent magnet industry**. Capital injection of US\$3M by CAP.
- An **option to invest an additional US\$50M in REE Uno**, for an additional 20% equity interest. **Pre-money valuation of US\$150M (REE Uno)**.
- A **three-year option to invest up to 19.9% in Aclara Resources Inc.**, by participating in any private placement or public offering of shares (equity raise) done by the Company, on the same terms offered by Aclara to other investors.

IPO pre-money valuation was US\$119.5M, the same valuation in CAP's deal

Full announcement available at: [click here](#)

APPENDIX II

Peer comparison

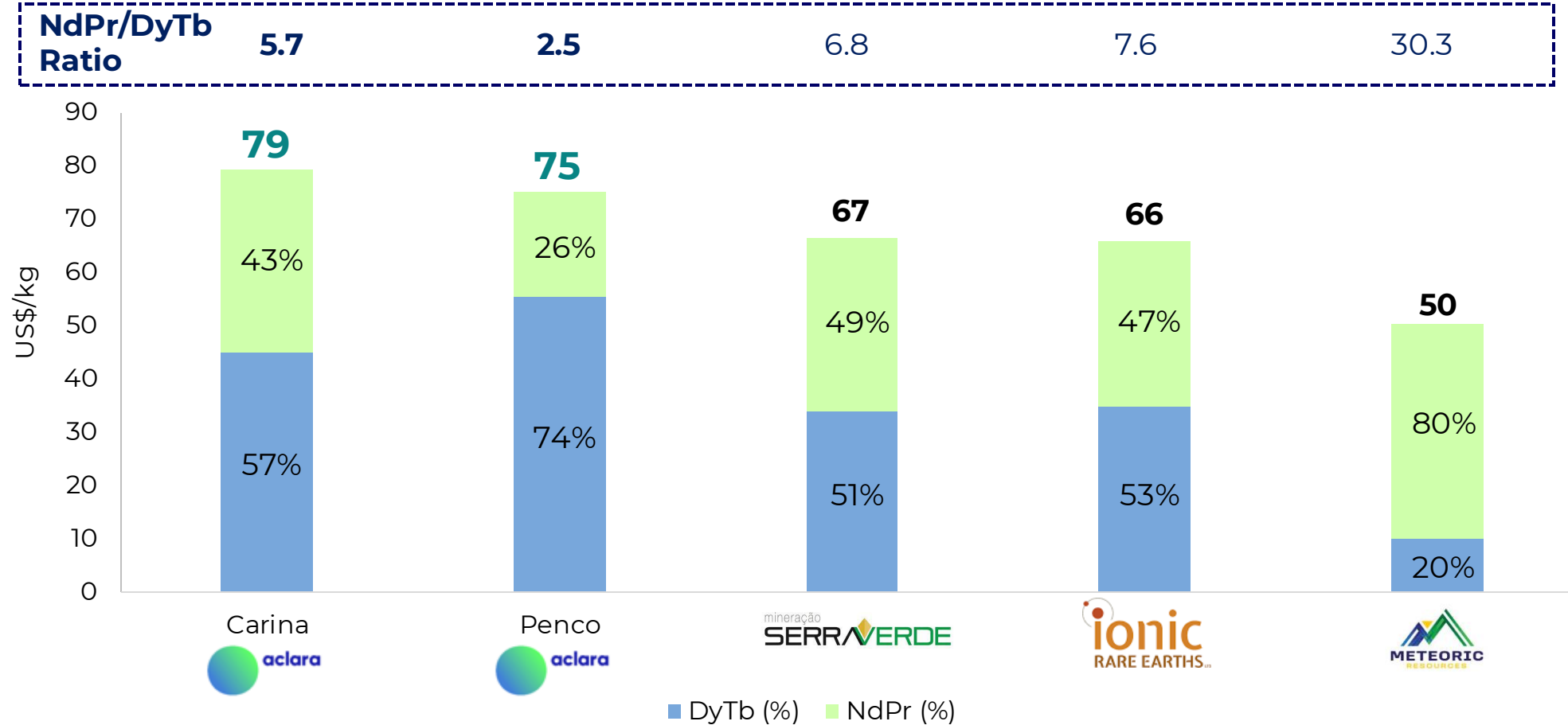


**STRONG DyTb CONTENT POSITIONS CARINA
AS THE POTENTIAL WORLD'S LARGEST PRODUCER OUTSIDE OF CHINA**

Notes:

Mineral Resources Categories: Serra Verde (Measured and Indicated), Ionic Rare Earths (Measured and Indicated), Penco Module (Measured and Indicated), Carina Module (Inferred), Meteoric (Inferred)
 Prices for rare earth oxides: The price estimates in US\$/kg used for NSR calculation La₂O₃ = 0.83, CeO₂ = 0.87, Pr₆O₁₁ = 134.13, Nd₂O₃ = 127.28, Sm₂O₃ = 2.09, Eu₂O₃ = 23.28, Gd₂O₃ = 92.93, Tb₄O₇ = 2,146.88, Dy₂O₃ = 718.63, Ho₂O₃ = 149.91, Er₂O₃ = 67.75, Tm₂O₃ = 0.0, Yb₂O₃ = 14.36, Lu₂O₃ = 948.88, Y₂O₃ = 8.21. Discount used was US\$ 7 per kg REO.

Basket Price (Only Magnetics – DyTb & NdPr)



CARINA'S BALANCED DyTb & NdPr VALUE RESULTS IN THE HIGHEST BASKET PRICE AMONG PEERS

Prices for rare earth oxides: The price estimates in US\$/kg used for NSR calculation La₂O₃ = 0.68, CeO₂ = 0.69, Pr₆O₁₁ = 144.18, Nd₂O₃ = 150.75, Sm₂O₃ = 2.39, Eu₂O₃ = 27.45, Gd₂O₃ = 71.55, Tb₄O₇ = 1,789.25, Dy₂O₃ = 477.25, Ho₂O₃ = 137.25, Er₂O₃ = 59.10, Tm₂O₃ = 0.0, Yb₂O₃ = 19.85, Lu₂O₃ = 834.75, Y₂O₃ = 2.86. Discount used was US\$ 7 per kg REO.