Aclara Announces R&D Tax Rebate from the Government of Chile

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TORONTO, November 15, 2023 - Aclara Resources Inc. ("Aclara" or the "Company") (TSX:ARA) is pleased to announce that REE UNO SpA, its wholly owned subsidiary that holds 100% stake in the Penco Module (the "Project"), has received a tax rebate of approximately US$ 2.1 million from the Corporación de Fomento de la Producción ("CORFO") for Research and Development ("R&D") expenses related to the installation and operations of the Pilot Plant. CORFO, which is the Chilean government institution in charge of promoting the production of goods and services and economic regional growth, has validated the pilot plant R&D expenses and determined this project to be key to the future production of the rare earths necessary for the manufacturing of permanent magnets used in wind turbines, electric vehicles, and other technologies vital to the energy transition.

Francois Motte (Aclara's Chief Financial Officer) commented:

"We are pleased to receive our second tax rebate based on R&D expenditures, which affirms our commitment to innovation and compliance with stringent environmental standards in our future operations. Our commitment to R&D continues to drive us forward, with a clear focus on enhancing production efficiency, reducing costs, optimizing capital expenditures (CAPEX), all while upholding our exemplary environmental compliance. We want to express especial thanks to CORFO for recognizing the importance of this activity both for Chile and for our fight against climate change"

R&D Scope for the Tax Rebate

The successful completion of the laboratory testing phase (announced on November 09, 2022) gave birth to "Circular Mineral Harvesting", a unique and internationally patented process that not only results in attractive recoveries of Rare Earths but also minimizes the associated environmental footprint. Circular Mineral Harvesting, through recycling, allows 95% of the water utilized by the process plant to be retained within the circuit, and 99% of the main reagent (ammonium sulphate) to be recirculated, with no liquid residues being produced, thus negating the need for a tailings storage facility. In addition, the mining activities do not require the use of explosives or the crushing and milling of the ionic clay feedstock, resulting in an operation with a very low carbon footprint.

The Circular Mineral Harvesting process was demonstrated through a pilot plant facility which (i) validated the closed-circuit flowsheet by producing a HREE concentrate at a semi-industrial scale, (ii) generated processed clays to confirm that they are chemically stable when returned to the field, (iii) confirmed the processing parameters and process flowsheet design, (iv) generated a high-purity HREE concentrate for separation trials in support of future off-take agreements, and (v) demonstrated to relevant stakeholders the environmental sustainability of the process design.

Tax Rebates

The tax rebate awarded by CORFO covers the construction and operation expenses of the pilot plant for a maximum amount of CLP$ 5,234 million (approximately US$ 6.0 million). The tax rebate includes the discounting of 35% (CLP$ 1,832 million or approximately US$ 2.1 million) of such approved expenses from Income Tax payments once the Project is in operation. This benefit comes in addition to the 27% tax shield generated over the remaining 65% of such expenses (CLP$ 919 million or approximately US$ 1.1 million).

During 2021, the Company received a similar tax rebate incentive related to R&D activities of CLP$ 4,393 million (approximately US$ 5.0 million), also awarded by CORFO. This tax rebate had the same structure as the one recently received.

About Aclara

Aclara Resources Inc. (TSX: ARA) is a development-stage company that focuses on heavy rare earth mineral resources. Its primary project is located in the Biobío Region of southern Chile. The company is dedicated to developing its mineral resources through a project known as the Penco Module. This module encompasses an area of approximately 600 hectares and contains ionic clays that are rich in heavy rare earth elements.

Currently, Aclara Resources is primarily focused on the development, construction, and future operation of the Penco Module. The goal is to establish a processing plant that will produce a heavy rare earth concentrate. This concentrate will be generated by processing clays obtained from nearby deposits.

Aclara's extraction process offers several environmentally attractive features. It does not involve blasting, crushing, or milling. Additionally, it does not generate tailings, eliminating the need for a tailings storage facility. The company utilizes 100% recycled water and minimizes water consumption through high levels of water recirculation. The ionic clay feedstock is amenable to leaching with a fertilizer, and harmful radionuclides are not produced.

Simultaneously, alongside the development of the Penco Module, the company intends to identify further opportunities for increasing rare earth element production. This will involve intensive greenfield exploration programs and the development of additional project "modules" within the company's concessions.

Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities legislation, which reflects the Company's current expectations regarding future events, including statements with regard to enhancing production efficiency, reducing costs, optimizing capital expenditures (CAPEX) and compliance with stringent environmental standards. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control. Such risks and uncertainties include, but are not limited to, risks related to operating in a foreign jurisdiction, including political and economic problems in Chile; risks related to changes to mining laws and regulations and the termination or non-renewal of mining rights by governmental authorities; and risks related to failure to comply with the law or obtain necessary permits and licenses or renew them; the costs of compliance with environmental regulations; actual production, capital and operating costs which may be different than those anticipated; the Company's possible inability to successfully complete the development, construction and start-up of mines and new development projects; risks related to mining operations; and dependence on the Penco Module. Aclara cautions that the foregoing list of factors is not exhaustive. For a detailed discussion of the foregoing factors, among others, please refer to the risk factors discussed under "Risk Factors"in the Company's annual information form dated as of March 28, 2023 filed on the Company's SEDAR profile. Actual results and timing could differ materially from those projected herein.Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this news release is provided as of the date of this news release and the Company does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required under applicable securities laws.

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