



ACLARA PROVIDES UPDATE ON CORPORATE STRATEGY

TORONTO, ON, May 10, 2022 – Aclara Resources Inc. (“**Aclara**” or the “**Company**”) (TSX: ARA) is pleased to provide an update on its corporate strategy following the withdrawal of its application for an environmental impact assessment (“**EIA**”) of the Penco Module (the “**Project**”) located in Chile. The updated strategy aims to i) position the Company to deliver a more robust EIA application, ii) strengthen and expand relationships with local stakeholders, and iii) prioritize exploration activities to define new potential modules. The Company has decided to postpone the advancement of the feasibility study on the Project until it has additional clarity on the permitting process.

Aclara’s CEO, Ramon Barua, commented: “We are pleased to announce a revised strategy for Aclara that will continue advancing the Project while targeting new ionic clay deposits hosted within our claims. The recent withdrawal of the EIA application is expected to result in a two-year delay to the anticipated first production date of the Project and we intend to maximize the use of that additional time. First, we will improve on our environmental baseline and refile the EIA application as soon as possible; second, we will prioritize enhancing our relationship with our local stakeholders; third, we will optimize our metallurgical process; and, last but not least, we will seek to find more ionic clays in other locations to actively pursue our goal of converting Aclara into a multi-module company. Our strategy, combined with the competitive advantage of owning an ionic clay deposit with unique characteristics, an environmentally friendly metallurgical process and the robust demand behind the coveted rare earths that our planet needs for advancing decarbonization initiatives, will provide the pillars that support Aclara as a successful, environmentally sound and responsible rare earths company.”

Revised EIA Application

The Company is advancing a revised and more robust EIA application. The Company has retained a team of environmental consultants and other advisors from well renowned institutions in Chile, including Universidad de Chile, FerradaNehme, Gestión Ambiental Consultores, Teco, among other specialists in flora and fauna. The main focus will be directed at completing baselines studies relating to flora and fauna to address the issues raised by the Environmental Assessment Authority (the “**SEA**”) during the original EIA process. As part of the new process, the Company intends to engage in closer communications with the SEA and other relevant authorities to agree on key evaluation metrics as well as protection and compensation measures. The Company will use the work completed as part of the original EIA to accelerate the completion of the studies and aims to file a revised EIA application during the second quarter of 2023.

Social License

The Company has defined a thorough plan to increase its local presence, to enhance local communities’ perception of the Project, and to materially increase its social contribution activities that both benefit and are desired by the local community. The Company is fortifying its local team by hiring locally based senior executive focused on corporate affairs and engaging a local communication firm to better connect with local stakeholders.

Exploration

The Company has increased its exploration budget from US\$5.4 million to US\$6.2 million in order to undertake a more aggressive drilling plan and schedule.

The Company has incorporated a new brownfield exploration area - “Alexandra Poniente” - as part of the Project, which offers clear potential to increase the resource base of the Project. Exploration results are expected at the beginning of Q3 2022.

In an effort to define potential new modules, the Company will be carrying out drilling campaigns in two new areas - “Veronica” and “Petronila” - and expects to announce exploration results towards the end of 2022. The drilling campaigns are expected to consist of 10,050 metres distributed across 335 drill holes.

Feasibility Study and Pilot Plant

The Company has decided to postpone engineering activities in connection with the feasibility study until the permitting process is more advanced. The engineering team will shift its focus to delivering the engineering modifications needed to align with the permitting process.

The Company is also currently assessing change of its approach to the pilot plant, from it being contracted as a service to it being owned by the Company. Piloting activities were programed to be limited in scope, however, the new timeline offers an opportunity to enhance the program by building the plant in-house. This strategy will allow Aclara to own a plant to continue improving its recoveries and flowsheet. The new budget associated with this strategy is under review and is expected to be reviewed by the Board in August 2022.

Updated Budget

While the Company is maintaining the total amount of its budget for 2022 at US\$25.7 million, it will be reallocating resources with a reduction in engineering expenses and a commensurate increase in its exploration efforts. The key aspects of the updated budget are detailed below:

- Activities in connection with the Penco Module: US\$9.3 million
 - *Engineering and piloting: US\$5.3 million*
 - *Brownfield exploration and infill drilling: US\$1.4 million*
 - *Permitting and ESG-related expenditures: US\$2.1 million*
 - *Surface land purchase and mining concessions: US\$0.4 million*
- Exploration and mining concessions in connection with potential new modules: US\$6.2 million
- Administrative expenses, personnel and general corporate purposes: US\$10.2 million

Key Milestones / Targets for the Penco Module

As a result of its updated corporate strategy, the Company has also updated the expected milestones and targets relating to the development of the Project, which are as presented below:

- EIA Filing: Q2 2023
- EIA Approval: Q3 2024
- Feasibility Study Filing: Q1 2025
- Construction: Q1 2025
- Production: H1 2026

About Aclara

Aclara is a development-stage rare earth mineral resources company located in Chile. Aclara is initiating the development of its resources through a project called the Penco Module (the “**Penco Module**”), which covers a surface area of approximately 600 hectares and which has ionic clays that are rich in rare earth elements. Aclara is currently focused on the development and on the future construction and operation of the Penco Module, which will aim to produce a rare earth concentrate through a processing plant that will be fed by clays from nearby deposits. Aclara’s unique extraction process offers several advantages such as: no blasting, crushing or milling required; no tailings dam; minimal water consumption due to a high level of water recirculation; amenable leaching with a fertilizer; and no radioactivity.

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 the permitting process, the revised EIA application, on-going and future discussions and consultations with relevant authorities and advisors, advancing the exploration and development of the Penco Module, the exploration of potential new modules, the completion of a feasibility study on the Penco Module, plans and strategies, and general financial position matters and funding related to the Company, and key milestones and targets relating to the development of the Penco Module. 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; risks related to failure to comply with the law or obtain necessary permits and licences or renew them; compliance with environmental regulations can be costly; actual production, capital and operating costs may be different than those anticipated; the Company may be not able to successfully complete the 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 30, 2022 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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