ACLARA TO BUILD FIRST HEAVY RARE EARTHS SEPARATION FACILITY IN U.S. WITH A SECURED SUSTAINABLE IONIC CLAY FEED BY MID-2028

TORONTO, ON, October 24, 2025 – Aclara Resources Inc. ("Aclara" or "Company") (TSX: ARA) is pleased to announce its decision to construct the first heavy rare earths (HREE) separation facility in the United States, located in the State of Louisiana (the "Project") with an expected secured sustainable feed from two ionic clay deposits in Brazil and Chile.

Key Project Highlights

- The Project is scheduled for completion in 2027, contingent upon the timely completion of funding and offtake agreements.
- Upon the Company achieving a secured feed from its sources in Brazil and Chile, the Project will become the first HREE separation plant in the U.S. with an integrated HREE feed from two ionic clay deposits in friendly jurisdictions, which deposits are expected to be in operation by in mid-2028.
- Designed as a comprehensive solution for rare earths, the Project is expected to produce high-purity Dysprosium (Dy), Terbium (Tb), and other restricted HREEs and light rare earths (LREEs), essential for advanced technologies such as electric vehicles, wind turbines, drones, and robotics.
- Provided the achievement of full production, Aclara anticipates being able to supply more than 75% of the U.S. requirements of DyTb for electric vehicles by 2028.
- Annual production upon the successful development of the Company's ionic clay deposits in Brazil and Chile is anticipated to be 200 tpy (Dy), 30 tpy (Tb) and 1,400 tpy (NdPr) of separated high-purity oxides, representing approximately 14% of China's official DyTb production.[1]
- The State of Louisiana is supporting the Project with an estimated US$46.4 million in tax incentives and grants.
- This initiative marks a major milestone in Aclara's mine-to-magnet strategy, establishing a vertically integrated supply chain for permanent magnets, starting from our two ionic clay deposits in Brazil and Chile, moving into our HREE separation facility in Louisiana and supplying alloys to our strategic alliance with magnet-maker VAC (VACUUMSCHMELZE), who are currently building a permanent magnet production facility in Sumter, SC.

Project Development

- Aclara will invest approximately US$277 million to develop the Project on an 82-acre Louisiana Economic Development (LED) certified site at the Port of Vinton.
- The site offers direct road and waterway access via the Gulf Intracoastal Waterway and proximity to chlor-alkali facilities, with the LED Certified designation allowing for immediate industrial development and fast-track construction.
- The Company is also planning an additional investment to construct a metals and alloys plant on the property, to support the high-performance permanent magnet industry.
- The separation technology being developed by Aclara is designed with scalability in mind, allowing potential capacity expansion to process material from other ionic clay deposits or compatible feedstocks in the future.
- Hatch Ltd. ("Hatch") has been retained to develop the engineering of the Project in addition to its work relating to the Company's Carina project located in the State of Goiás, Brazil (the "Carina Project"), ensuring strong

[1] Source: Approximate calculation based on The Chinese Ministry of Industry and Information Technology

coordination across projects, driving cost efficiencies, and optimizing schedules, with an aim to reduce execution risk.

Virginia Tech Partnership for Technology Validation

- Aclara is collaborating with Virginia Tech ("VT") to validate its proprietary separation process through a pilot plant whose construction is currently underway and expected to be fully operational by Q1 2026.
- By the time production is expected to start at the Louisiana plant, Aclara expects to have accumulated approximately 1.5 years of feed-specific operational data that will serve to accelerate the ramp-up, optimize efficiency and maintain steady-state operations.

Integration with Aclara's Ionic Clay Deposits

- Once secured feed is achieved, the Project will become the only HREE separation facility in the United States that is integrated with ionic-clay deposits from friendly jurisdictions, ensuring the reliable production of significant quantities of HREEs.
- Aclara's simultaneous optimization of mining and separation processes provides a competitive advantage among ionic clay developers and accelerates project execution.
- Significant progress has been achieved at the Company's Goiania pilot plant to enhance the purity of the mixed rare earth carbonate that will supply the Louisiana separation facility upon successful production from the Carina Project.
- The Carina Pre-Feasibility Study (PFS), prepared by Hatch, is scheduled for publication in early November 2025, with the Feasibility Study (FS) expected in Q2 2026.

Louisiana Governor, Jeff Landry, commented:

"By choosing Louisiana for its first U.S. facility, Aclara is recognizing what we already know, our state is leading the next generation of energy and technology innovation. We're excited to welcome the Aclara team to Louisiana, and we look forward to the jobs, growth and opportunity this project will deliver for our people, our communities — and for a Louisiana economy that's ready to power and lead our nation's future."

LED Secretary, Susan B. Bourgeois, commented:

"Louisiana is proud to welcome Aclara and the innovation it brings to our industrial landscape. Aclara's investment underscores the importance of development-ready sites and strong local partnerships that give global companies the confidence to choose Louisiana. The Project builds on our state's strengths in advanced manufacturing and workforce excellence, reinforcing Louisiana's leadership in industries vital to the nation's energy and defense security."

Aclara's CEO, Ramon Barua, commented:

"We are pleased to announce that we have secured a premium site in Louisiana for our U.S. heavy rare earth separation facility. Our priority was to identify a location that could support rapid development, given the urgent need to establish a reliable supply of these critical minerals. The reception from Governor Landry and his team has been outstanding, and Louisiana's LED program offers exactly the kind of pro-investment environment this strategic sector requires.

In addition, Louisiana provides ready access to the key reagents we require, helping ensure operational reliability and lower transportation costs. The state's highly established chemical industry and skilled workforce made the decision even more compelling. Simply put, Louisiana has everything we were looking for.

Our Project is unique in the Western world: with direct access to our ionic clay deposits, this will be the only fully integrated heavy rare earth separation operation currently capable of producing material volumes of heavy rare earths at scale. We are moving at an accelerated pace to bring supply online as quickly as possible, and we are working to have our projects converge and enter production by mid-2028."

Aclara's COO, Hugh Broadhurst, commented:

"This facility will become a cornerstone of critical minerals reindustrialization in the Western Hemisphere. Louisiana was selected for its robust chemical and manufacturing ecosystem, attractive investment policies, experienced industrial workforce, and strategic geographic location. The incentive package offered by the State of Louisiana underscores the State's commitment to attracting high-technology and sustainable manufacturing investments."

Dr. Aaron Noble, Professor and Department Head Mining and Minerals Engineering at Virginia Tech, commented:

"Aclara's leadership in rare earth extraction and processing complements our department's commitment to advancing technology and preparing future leaders in the mining industry. Their pilot facility will bring cutting-edge industrial innovation to our doorstep while creating transformative opportunities to advance our ongoing R&D efforts in REE separations."

Hatch's Managing Director of Minerals, Conrad Blake, commented:

"We are excited to have been retained by Aclara to work on an integrated project that encompasses the Carina Project, the concentrator and the separation plant. Leveraging our decades of experience in solvent extraction technologies, this holistic approach is designed to drive operational efficiencies and minimize execution risk of the project across the entire value chain."

LED Incentive Programs

The State of Louisiana, through LED, is supporting Aclara's investment with a suite of tax incentive programs and grants designed to encourage high-impact industrial development and job creation.

- **Industrial Tax Exemption Program (ITEP)**: Provides an 80% ad valorem tax exemption for an initial five-year term with a potential five-year renewal. Estimated value: US$29.3 million
- **High Impact Jobs Program (HIP)**: Provides performance-based cash grants ranging from 18% to 22% of wages for qualifying new jobs, depending on wage levels relative to parish averages. Initial three-year term with two-year renewal option. Estimated value: US$11.6 million
- **Performance-Based Infrastructure Grant**: Provides reimbursement for utility and road infrastructure improvements through a cooperative endeavor agreement. Estimated value: US$3.0 million
- **LED FastStart®**: Provides customized employment recruitment and training services to support facility start-up and operations. Estimated value: US$2.5 million

About Aclara

Aclara Resources Inc. (TSX: ARA), a Toronto Stock Exchange listed company, is focused on building a vertically integrated supply chain for rare earths alloys used in permanent magnets. This strategy is supported by Aclara's development of rare earth mineral resources hosted in ionic clay deposits, which contain high concentrations of the scarce heavy rare earths, providing the Company with a long-term, reliable source of these critical materials. The Company's rare earth mineral resource development projects include the Carina Project in the State of Goiás, Brazil as its flagship project and the Penco Module in the Biobío Region of Chile. Both projects feature Aclara's patented technology named Circular Mineral Harvesting, which offers a sustainable and energy-efficient extraction process for rare earths from ionic clay deposits. The Circular Mineral Harvesting process has been designed to minimize the water consumption and overall environmental impact through recycling and circular economy principles. Through its wholly-owned subsidiary, Aclara Technologies Inc., the Company is further enhancing its product value by developing a rare earths separation plant in the United States. This facility will process mixed rare earth carbonates sourced from Aclara's mineral resource projects, separating them into pure individual rare earth oxides. Additionally, Aclara through a joint venture with CAP, is advancing its alloy-making capabilities to convert these refined oxides into the alloys needed for fabricating permanent magnets. This joint venture leverages CAP's extensive expertise in metal refining and special ferro-alloyed steels. Beyond the Carina Project and the Penco Module, Aclara is committed to expanding its mineral resource portfolio by exploring greenfield opportunities and further developing projects within its existing concessions in Brazil, Chile, and Peru, aiming to increase future production of heavy rare earths.

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: anticipated timelines for development and production of the Project, expected development and production of the Company's ionic clay deposits in Chile and Brazil, expected production volumes and supply capabilities of the Project, expected synergies and outcomes of the Company's partnership with Virginia Tech, the State of Louisiana and investment from LED, projections of required supply of HREE, DyTb and LREE, expectations of the Company's management as to optimization plans and potential operational data, and the expectations of the Company's management as to the timing and issuance of a prefeasibility study and feasibility study relating to the Carina Project. 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 Brazil; 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 licenses 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 development, construction and start-up of mines and new development projects; risks related to mining operations; and dependence on the Carina Project. 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 20, 2025, 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 press release is provided as of the date of this press 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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