



ACLARA EXPANDS PROJECT DYNAMO TO INCLUDE YTTRIUM, GADOLINIUM AND SAMARIUM SEPARATION

TORONTO, ON, October 6, 2026 – Aclara Resources Inc. ("Aclara" or the "Company") (TSX: ARA) is pleased to announce it is expanding the scope of Project Dynamo, its planned rare earth separation facility in Louisiana, to incorporate separation capabilities for yttrium ("Y"), gadolinium ("Gd") and samarium ("Sm"), in addition to the previously planned production of neodymium-praseodymium ("NdPr"), dysprosium ("Dy") and terbium ("Tb").

As the first stage of this expansion, Aclara, through its wholly-owned subsidiary Aclara Technologies Inc., has commenced the installation of additional solvent extraction ("SX") circuits at its rare earth separation demonstration plant located at Virginia Tech Corporate Research Center in Blacksburg, Virginia. The new circuits are being designed to demonstrate the separation of Y, Gd and Sm using feedstock representative of the Super-Pure Rare Earth Carbonate ("SPREC") expected to be produced from Aclara's ionic clay deposits in Chile and Brazil.

Work at the demonstration plant is already underway. Equipment for the new Y separation circuit has arrived at the Virginia Tech facility and is expected to be installed and commissioned over the coming weeks, with Gd and Sm circuits expected to follow.

To support the expanded program, Aclara has doubled the physical footprint of its demonstration plant and is planning to approximately double the number of technical personnel supporting the facility.



Yttrium separation circuit at Virginia Tech Demonstration Plant

Ramon Barua, Chief Executive Officer of Aclara, commented:

"The expansion of Project Dynamo represents an important advancement of Aclara's strategy. In addition to building a supply chain for the rare earths required for permanent magnets, we are expanding into materials that are becoming critical to power generation, aerospace applications -including aircraft jet engines- and the infrastructure supporting artificial intelligence."

"Yttrium is a particularly compelling opportunity. Approximately 50% of the rare earth composition of our Penco Project and 30% of our Carina Project is yttrium, giving Aclara a differentiated resource position in a market where Western supply remains highly dependent on imports. Penco has received its environmental approval and is positioned to advance toward construction, subject to securing the required financing."

"The rapid growth of AI and data centers is driving significant investment in power generation infrastructure, including gas turbines, where yttrium plays an important role in high-temperature applications. By combining our resource base with separation capabilities in the United States, we believe Aclara can become an important supplier into these strategic markets."

Expanding Project Dynamo

Project Dynamo was originally designed to separate NdPr, Dy and Tb. The planned expansion will add dedicated separation capabilities for Y, Gd and Sm, broadening the range of high-purity rare earth products Aclara intends to produce in the United States.

To incorporate the expanded product scope, Aclara is modifying the basic engineering of Project Dynamo to include the additional separation circuits in the industrial-scale facility in Louisiana. As part of this expansion, the number of mixer-settlers in the solvent extraction process is expected to increase from approximately 340 to 478, representing a significant expansion of the plant's separation capacity and complexity.

The expansion is expected to create two complementary rare earth platforms:

- Magnetic rare earths: NdPr, Dy, Tb and Sm, serving applications including e-mobility and robotics;
- Non-magnetic rare earths: Y and Gd, serving applications across power generation, aerospace applications -including aircraft jet engines- and other high-performance technologies.

Project Dynamo has secured its State Air Permit from the Louisiana Department of Environmental Quality, and basic engineering for the facility is in its final stages. Aclara is targeting groundbreaking in the first quarter of 2027, subject to securing the required financing.

Yttrium: A Strategic Growth Opportunity

Aclara believes yttrium represents a significant new growth opportunity.

The rapid expansion of AI and cloud infrastructure is driving substantial investment in data centers and associated power generation capacity. Gas turbines are expected to play an important role in supporting this growth, and yttrium is used in advanced high-temperature materials required in turbine applications.

Aclara believes it is particularly well positioned because yttrium represents a significant component of its ionic clay resource base. Based on the current technical reports for the Carina Project and Penco Module, Aclara expects its mineral projects to have the potential to produce SPREC containing approximately 1,400 tonnes of yttrium per year at full production.

The Company is engaged in preliminary discussions with potential customers regarding future supply of yttrium and other rare earth products from Project Dynamo; no definitive offtake agreement have been entered into.

Collaboration with Virginia Tech and Argonne National Laboratory

Aclara's U.S. separation development program combines the Company's proprietary rare earth processing technology with the capabilities of Virginia Tech and Argonne National Laboratory ("Argonne").

Virginia Tech hosts Aclara's demonstration plant in Blacksburg, where operating data is generated to demonstrate and optimize the Company's separation process ahead of commercial-scale deployment at Project Dynamo.

The collaboration with Virginia Tech is also an important component of Aclara's workforce development strategy. Rebuilding rare earth industrialization and processing capabilities in the United States will require experienced engineers, chemists and plant operators with direct operating experience in rare earth separation.

Aclara is using the demonstration plant as a training platform for the technical workforce that will ultimately support Project Dynamo. Engineers, chemists and operators are expected to gain up to two years of hands-on operating experience at the Virginia Tech facility before the Louisiana plant enters production, which Aclara expects to provide a trained and experienced workforce to support a faster and lower-risk ramp-up of the commercial facility.

Aclara is also collaborating with Argonne under a Cooperative Research and Development Agreement to develop an AI-enabled digital twin of the separation process using operational data from the Virginia Tech facility and Argonne's SolventX modeling platform.

Together, the Virginia Tech and Argonne collaborations are designed to support both the technical optimization of the process and the development of the people and operating capabilities required to scale rare earth separation in the United States.

About Aclara

Aclara Resources Inc. (TSX: ARA), a Toronto Stock Exchange listed company, is focused on building a vertically integrated supply chain for rare earth alloys used in permanent magnets, as well as high-purity rare earth oxides, including yttrium and gadolinium, for power generation, aerospace and other high-performance applications. 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 earth 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 the expansion of Project Dynamo to include the separation of Y, Gd and Sm; the installation, commissioning and operation of additional solvent extraction circuits at the Company’s Virginia Tech demonstration plant, and the timing thereof; the planned increase in personnel supporting the demonstration plant; the expected training of the Company’s workforce at the demonstration plant and the expected timing of production at Project Dynamo; any permit modifications or additional engineering required for the expanded scope of Project Dynamo; the Company’s target to commence construction and break ground in the first quarter of 2027, subject to financing; the financing, development, construction, commissioning and operation of Project Dynamo and the timing thereof; the potential production of approximately 1,400 tonnes of yttrium [oxide] per year; the yttrium content of the Penco Module mineral resource; the advancement of the Penco Module toward construction; anticipated demand for yttrium, gadolinium and samarium, including in connection with power generation, aerospace and AI-related infrastructure; the Company’s discussions with potential customers; the development of an AI-enabled digital twin in collaboration with Argonne; and the Company’s strategy to develop a secure, traceable and vertically integrated rare earth supply chain across the Americas. 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. Material assumptions include, among others: the availability of financing on acceptable terms and in a timely manner; the receipt of all required permits, permit modifications and approvals, and the outcome of any administrative or legal challenges thereto; the successful installation, commissioning and performance of the solvent extraction circuits at the demonstration plant; the ability of the Company’s processes to achieve expected recoveries and product purities at commercial scale using SPREC feedstock; future demand for, and prices of, rare earth products, including yttrium, gadolinium and samarium; the Company’s ability to negotiate and conclude offtake arrangements on acceptable terms; the availability of qualified personnel, equipment and contractors; the continued collaboration of Virginia Tech and Argonne; and the absence of material adverse changes in applicable laws, trade policy, export controls or geopolitical conditions. Risks that could cause actual results to differ materially from those expressed or implied by forward-looking information include, among others: financing risk; permitting and regulatory risk, including the risk of challenges to permits and approvals; technology scale-up and operational risk; construction cost and schedule risk; commodity market and pricing risk; offtake and customer risk; workforce availability; and risks relating to international trade, tariffs and export controls. Please refer to the risk factors discussed under “Risk Factors” in the Company’s annual information form dated March 18, 2026, filed on the Company’s SEDAR+ profile at www.sedarplus.ca. Actual results and timing could differ materially from those projected herein. Readers are cautioned not to place undue reliance on forward-looking information. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this news release is provided as of the date hereof and the Company does not undertake any obligation to update such forward-looking information, except as required under applicable securities laws.

For further information, please contact:

Ramón Barúa Costa
Chief Executive Officer
investorrelations@aclara-re.com