



ACLARA COMPLETES BASIC ENGINEERING FOR ITS U.S. HEAVY RARE EARTHS SEPARATION FACILITY IN LOUISIANA

TORONTO, ON, October 13, 2026 – Aclara Resources Inc. (“Aclara” or the “Company”) (TSX: ARA) is pleased to announce the completion of basic engineering for its planned heavy rare earths separation facility in Louisiana, United States (“Project Dynamo” or the “Project”) designed to process feed from Aclara’s ionic clay projects in Chile and Brazil. The basic engineering work, completed by Hatch Ltd. (“Hatch”), has further defined the Project’s design, capital requirements, operating costs and execution plan and represents a significant milestone toward construction of Aclara’s U.S. processing platform. The Project is designed to process super-pure mixed rare earth carbonate (“SPREC”) produced from Aclara’s ionic clay deposits in Chile and Brazil and to produce high-purity separated rare earth oxides, including dysprosium (“Dy”), terbium (“Tb”), yttrium (“Y”), gadolinium (“Gd”), samarium (“Sm”) and neodymium-praseodymium (“NdPr”).

Key Project Highlights

- Site preparation targeted to commence in Q1 2027, subject to financing and other customary conditions, with completion of construction targeted in H2 2028.
- Basic engineering completed by Hatch for Project Dynamo’s heavy rare earths separation facility, establishing the technical basis for detailed engineering, procurement and construction.
- The facility has been specifically designed to process Aclara’s SPREC produced from its ionic clay deposits in Chile and Brazil, which is expected to provide a long-term, traceable and internally controlled source of feedstock once those projects are in production.
 - ✓ Based on testing to date, Aclara’s SPREC is a non-regulated material, and considered non-radioactive for shipment and processing in every jurisdiction Aclara operates in, with a wide safety margin.
 - ✓ Independent laboratory testing by SGS Lakefield supports these results.
- Aclara’s demonstration facility at the Virginia Tech Corporate Research Center is successfully validating the design basis for its commercial-scale separation process, having already produced NdPr oxide to target specifications, with Dy and Tb oxide production targeted for Q4 2026.
- Improved estimated metallurgical recoveries while maintaining targeted high-purity standards for separated rare earth oxides:
 - ✓ Dy: Metallurgical recovery estimation increased to ~97.9% (from 95%), with a minimum target purity of 99.5%.
 - ✓ Tb: Metallurgical recovery estimation increased to ~97.7% (from 95%), with a minimum target purity of 99.9% (“3N”).
 - ✓ Y: Metallurgical recovery estimation of ~85.7%, with a minimum target purity of 99.9% (“3N”).
 - ✓ Gd: Metallurgical recovery estimation of ~86.7%, with a minimum target purity of 99.9% (“3N”).
 - ✓ Sm: Metallurgical recovery estimation of ~96.3%, with a minimum target purity of 99.5%.
 - ✓ NdPr: Metallurgical recovery estimation increased to ~98.9% (from 95%), with a minimum target purity of 99.5%.
- Significant production output capacity of rare earth oxides, including heavy rare earths that are currently subject to Chinese export controls, and of NdPr. Production capacity has been defined by the targeted life-of-project average annual production of the Carina Project and Penco Module at full capacity:
 - ✓ Dy oxide: ~200 tonnes (previously 140 tonnes);
 - ✓ Tb oxide: ~35 tonnes (previously 25 tonnes);
 - ✓ Y oxide: ~1,350 tonnes (new);
 - ✓ Gd oxide: ~180 tonnes (new);

- ✓ Sm oxide: ~190 tonnes (new); and
- ✓ NdPr oxide: ~1,300 tonnes (previously 1,100 tonnes).
- AACE International Class 3 construction capital estimate (“Capex”) of approximately US\$494 million, reflecting a significantly expanded project scope and greater cost certainty:
 - ✓ approximately 42% higher Dy and Tb separation capacity to incorporate feed from the Penco Module in Chile;
 - ✓ three additional separation circuits for Y, Gd and Sm increasing the number of mixer-settlers from 340 to 478, resulting in approximately 157% more total separated high-purity oxide production;
 - ✓ 100% of major equipment packages quoted by experienced suppliers, with approximately 86% of equipment packages and 100% of electrical packages expected to be procured in the United States;
 - ✓ advancement from a Class 5 conceptual estimate of US\$277 million to a Class 3 basic engineering estimate of US\$494 million, primarily reflecting the increased processing capacity required to accommodate SPREC from the Penco Module, the addition of production lines for Y, Gd and Sm circuits, and the higher level of engineering definition; and
 - ✓ continuity with Hatch as engineering partner across Aclara’s upstream and downstream projects, supporting technical coordination, design consistency and execution planning.
- Operating cost estimate (“Opex”) reduced by approximately 32% to US\$26/kg of oxide produced on a life-of-project average basis, excluding SPREC feedstock costs, from US\$38/kg at the conceptual engineering stage.
- Based on the proposed Capex and Opex, and independent pricing assumptions provided by Argus Media, the Project is estimated to generate an after-tax net present value (“NPV”) of US\$773 million at an 8.0% discount rate, an after-tax IRR of 27.9%, and a payback period of 2.6 years.

Aclara COO Hugh Broadhurst commented: *“The completion of basic engineering marks a defining step for Project Dynamo and advances it toward construction. The work carried out together with Hatch has materially advanced the definition of the facility, from process design and equipment selection through procurement planning and constructability, providing a strong foundation for the construction phase.*

Project Dynamo has been engineered around Aclara’s own SPREC feed and a large-scale solvent extraction process, with the objective of producing high-purity separated oxides across a broader range of rare earth elements. The design also benefits from the engineering underway across our upstream projects in Chile and Brazil, supporting consistency across the platform from mine through separation.

With the air permit from the Louisiana Department of Environmental Quality secured and a potential financing pathway with EXIM, the Project is positioned to move toward execution. We are now focused on beginning site preparation activities in Q1 2027.”

Aclara CEO Ramón Barúa commented: *“The strategic need for heavy rare earths continues to grow across key drivers of the global economy, including electromobility, robotics, drones, power generation infrastructure and other advanced applications. Project Dynamo is Aclara’s response to this need, designed to establish a diversified, resilient and traceable rare earth supply chain at meaningful scale.*

As we advance this strategy, growing customer demand for Y, Sm and Gd, three elements facing significant supply constraints, has led us to expand Project Dynamo’s separation capacity. By leveraging existing separation stages, this expansion opens access to attractive new markets while capturing capital and operational efficiencies, demonstrating our ability to rapidly unlock synergies through our vertically integrated platform.

Delivering this broader range of products reliably requires addressing execution and ramp-up risks from the outset. We have therefore designed Project Dynamo around representative SPREC feed, operating experience from our Virginia Tech demonstration facility, training of our future operating team, integration with the Penco Module and Carina Project, and advanced technologies including an AI-enabled digital twin and process simulation. Supported by our technology partners and U.S. federal and state programs, these initiatives are intended to optimize performance and reliability.

By combining scale, secure and traceable feedstock, advanced process technology and a clear path to execution, Aclara is building an integrated rare earth platform designed to become a strategic pillar of global supply chains.”

Virginia Tech Demonstration Plant and AI-Enabled Process Optimization

Aclara is operating its rare earth separation demonstration plant at the Virginia Tech Corporate Research Center in Blacksburg, Virginia, as the principal technology validation platform for Project Dynamo. The demonstration facility was designed and implemented in collaboration with L3 Processing, Aclara's process technology partner, which also supports plant operations. The facility has been designed to process feed representative of the SPREC expected from Aclara's ionic clay projects and is generating operating data to validate and optimize the separation process ahead of commercial-scale deployment in Louisiana.

Aclara's Virginia Tech demonstration plant is progressively validating Project Dynamo's expanded product slate. NdPr product specification was achieved in May 2026, with Dy and Tb expected to achieve target specifications in Q4 2026. In parallel, Aclara is expanding the facility to include dedicated separation circuits for Y, Gd and Sm, consistent with Project Dynamo's broader product configuration. The Y circuit is currently being installed and commissioned, with Gd and Sm equipment expected later in Q4 2026.

The Virginia Tech facility also supports Project Dynamo's scale-up and workforce development strategy. Aclara expects engineers, chemists and operators to gain up to two years of hands-on separation experience before the Louisiana facility enters production, supporting a faster and lower-risk commercial ramp-up.

In parallel, Aclara is developing an AI-enabled digital twin with Argonne National Laboratory, combining operating data from Virginia Tech with Argonne's advanced process simulation capabilities, including its SolventX modeling platform. The initiative has also been selected under the U.S. Department of Energy's Genesis Mission and is intended to improve process performance, accelerate scale-up and support reliable operations as Project Dynamo processes SPREC from both the Penco Module and the Carina Project.

Strategic Industrial Site at the Port of Vinton, Louisiana

Project Dynamo is planned to be developed on an approximately 82-acre Louisiana Economic Development ("LED") Certified Site at the Port of Vinton, selected to provide the infrastructure, logistics and industrial ecosystem required for a large-scale solvent extraction facility.

The site provides direct road access and connectivity to the Gulf Intracoastal Waterway, proximity to chlor-alkali producers supplying key process reagents, an established chemical and industrial workforce and access to existing industrial infrastructure. Its LED Certified Site designation supports accelerated industrial development and construction readiness including correct zoning for the facility. The site also provides sufficient space for Aclara's planned downstream metals and alloys facility, which could enable future co-location of separation and alloy production.

A major permitting milestone was achieved in September 2026 when the Louisiana Department of Environmental Quality ("LDEQ") approved the Small Source Air Permit for Project Dynamo. This permit represents the principal environmental permitting milestone required to advance Project Dynamo into construction.

Project Dynamo also benefits from significant support from the State of Louisiana. Aclara previously announced an estimated US\$46.4 million package of incentives, infrastructure support and workforce development programs, including the Industrial Tax Exemption Program ("ITEP"), the High Impact Jobs Program, infrastructure support and LED FastStart®, which remain subject to applicable program approvals and performance requirements.

EXIM Financing Pathway

Aclara is pursuing a potential long-term financing pathway with the Export-Import Bank of the United States ("EXIM"). On September 4, 2026, EXIM issued Aclara a Letter of Interest indicating its willingness to consider financing of up to US\$750 million to support the development of Aclara's planned separation, metals and alloys platform in Louisiana. Based on preliminary information regarding expected U.S. exports and employment supported by the facilities, EXIM indicated that the potential financing could have a repayment tenor of up to 15 years under its Make More in America ("MMIA") initiative.

The Letter of Interest is non-binding and subject to EXIM's standard due diligence, underwriting, environmental and other approval processes. Aclara is progressing toward the submission of its formal EXIM financing application as part of the Company's broader financing strategy for Project Dynamo.

Next Steps

With basic engineering completed, the LDEQ air permit secured and the financing process advancing, Aclara's near-term focus is transitioning Project Dynamo into execution.

The principal next steps include:

- advancing detailed engineering and construction planning;
- progressing the procurement of long-lead equipment and major equipment packages;
- commencing site preparation activities in Q1 2027, subject to financing and other customary conditions;
- submitting and advancing the formal EXIM financing application and completing the Project's financing plan;
- continuing operation and expansion of the Virginia Tech demonstration plant, including commissioning of the Y, Gd and Sm circuits;
- advancing the AI-enabled digital twin with Argonne National Laboratory, using operating data generated at Virginia Tech to support commercial-scale optimization and ramp-up;
- continuing customer qualification, strategic partnership and offtake discussions for the Project's expanded rare earth product portfolio; and
- advancing construction toward targeted completion in the second half of 2028.

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: 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, the expected outcomes of the Company's collaborations with Virginia Tech, L3 Processing and Argonne National Laboratory, expectations of the Company's management as to optimization plans and potential operational data, the results of the basic engineering study, including the capital cost estimate, operating cost estimate, targeted production volumes and product mix; the after-tax net present value, internal rate of return and payback period of the Project and the assumptions underlying them; the targeted commencement of site preparation in Q1 2027 and completion of construction in H2 2028; the timing of site preparation, construction and completion of Project Dynamo; the receipt of remaining permits and approvals, and any permit modifications for the expanded scope; the regulatory classification of SPREC; the EXIM Letter of Interest, the submission of a formal application and the availability and terms of financing; the availability of State of Louisiana incentives; the achievement of product specifications at the Virginia Tech demonstration plant and the commissioning of the Y, Gd and Sm circuits; the development of an AI-enabled digital twin and support under the Genesis Mission; procurement of equipment in the United States; the operating experience expected to be gained by personnel

prior to start-up; the potential co-location of a metals and alloys facility at the site; customer qualification and offtake discussions; and the statements in the quotations attributed to the Company's Chief Executive Officer and Chief Operating Officer. 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, including from EXIM; the accuracy of the capital and operating cost estimates; the rare earth oxide price assumptions provided by Argus Media and the exchange rate, discount rate, SPREC feedstock cost, project life and production start date described above; the feed tonnages and grades contemplated by the Carina Project feasibility study and the Penco Module preliminary economic assessment; the receipt of all required permits and approvals on a timely basis; the timely development and production of the Carina Project and the Penco Module and the availability of SPREC feed in the expected quantities and quality; the estimated metallurgical recoveries and targeted purity levels for separated rare earth oxides; the successful scale-up of the separation process from the demonstration plant to commercial scale; the continued regulatory classification of SPREC as described herein; the availability of equipment, reagents, personnel and contractors; the continued availability of the State of Louisiana incentives and of U.S. federal program support; market demand and prices for rare earth products; and the absence of material adverse changes in trade policy, export controls or geopolitical conditions. Such risks and uncertainties include, but are not limited to risks related to operating in foreign jurisdictions, including political and economic conditions in Brazil, Chile and the United States; changes in U.S. trade, tariff and critical minerals policy and in the availability of U.S. federal and state program support, including EXIM financing and the State of Louisiana incentives; 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; dependence on the Carina Project and the Penco Module for feed; risks related to financing, including that the EXIM Letter of Interest is non-binding; capital and operating cost estimates may prove inaccurate; risks related to technology scale-up; reliance on Hatch, L3 Processing, Argonne National Laboratory and other third parties; the availability and cost of contractors and labour; the availability and reliability of power, water and reagent supply; the need for permit modifications to reflect the expanded Project scope; risks related to the regulatory classification of SPREC; and risks related to international trade, tariffs and export controls. 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 18, 2026, 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.

For further information, please contact:

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