MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis ("MD&A") is prepared as of March 30, 2022, understanding the operational performance and financial condition of Aclara Resources Inc. (hereinafter, the "Company" or "Aclara"). The Company is, and will remain, a holding company and the only business of the Company is that of the business of its subsidiaries. The Company's material assets currently consist of interests in (i) Ree Uno SpA ("REE Uno"), a wholly owned Chilean subsidiary that holds the Penco Module, being Aclara's sole material mineral resource property and (ii) Prospecciones Greenfield SpA, an indirect wholly owned Chilean subsidiary that holds other exploration concessions located in Chile.

This MD&A provides information concerning the Company's financial condition and results of operations for the fiscal years ended December 31, 2021 ("FY 2021") and December 31, 2020 ("FY 2020"). This MD&A should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for FY 2021 and FY 2020 (together, the "Financial Statements"). The Financial Statements were prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB"). Unless as otherwise specified, the financial information contained in this MD&A is reported in United States dollars.

COMPANY OVERVIEW

Aclara is a development-stage rare earth mineral resources company listed on the Toronto Stock Exchange ("TSX") under the ticker symbol "ARA", beneficially holding approximately an aggregate of 451,985 hectares of mining rights, distributed in the Maule, Ñuble, Biobío and Araucanía regions of Chile. The Company's current emphasis is on the development of its resources through the Penco Module, which covers a surface area of approximately 600 hectares and contains ionic clays rich in rare earth elements ("REE"). The execution of the Penco Module development project is expected to benefit from low estimated initial capital expenditures (driven by access to existing nearby key infrastructure including, among other things, power, motorways, port and airport access, and a local professional workforce). In parallel with the development of the Penco Module, the Company intends to define additional opportunities to increase potential future REE production via intensive greenfield exploration programmes and the development of additional project "modules" within the Company's concessions.

BUSINESS DEVELOPMENT AND OVERALL PERFORMANCE

<u>Acquisition of REE Uno and IPO</u>

On October 15, 2021, Hochschild Mining Holdings Limited ("HM Holdings"), an affiliate of Hochschild Mining PLC ("Hochschild Mining"), contributed 100% of the issued and outstanding share capital of REE Uno to the Company in consideration for the issuance of 88,262,106 common shares of the Company as part of a series of reorganization steps intended to bring accretive shareholder value through the divestiture of REE Uno resulting in the creation of an independent company uniquely focused on the exploration and development of REE mineral resources. As a result of the acquisition of REE Uno, the Company became the beneficial owner of the Company's current portfolio of mining concessions located in Chile.

On December 10, 2021, the Company completed its initial public offering of an aggregate of 35,000,000 common shares of the Company (the "IPO") and concurrent private placement of an aggregate of 39,336,956 common shares of the Company resulting in a successful capital raise for total approximate net proceeds of C$117,696,359 (together with the IPO, the "Going Public Transaction"). Additionally, and in conjunction with the completion of the Going Public Transaction, the Company qualified the distribution by Hochschild Mining of an aggregate of 70,606,502 common shares of the Company by way of an in-specie dividend to the holders of ordinary shares in the capital of Hochschild Mining resulting in approximately 80% of the Company's pre-IPO share capital being held by existing shareholders of Hochschild Mining.

<u>Penco Module and Future Outlook</u>

The principal business of the Company is the development of the Penco Module, which is a REE mineral resource development project spanning approximately 600 hectares within the boundaries of the Penco and Concepción districts of Chile. As part of the Company's exploration and development initiatives in 2021, initial resource estimates were conducted together with development of the corresponding mine plan and improvement of potential metallurgical recoveries. The Company achieved a positive preliminary economic assessment of the Penco Module's potential for REE development, the results of which are detailed in the technical report entitled "Amended and Restated NI 43-101 Technical Report – Preliminary

Economic Assessment for Penco Module Project" dated effective September 15, 2021 (the "Technical Report"). The Company's focus in 2022 includes, principally:

- the development of a feasibility study of the Penco Module, which is expected to contain continued piloting, metallurgical process optimization, brownfield exploration results and improvement in current mineral resource categories;
- greenfield exploration campaigns with the goal of seeking additional viable development modules for production;
- seeking vertical integration opportunities to improve the commercial attractiveness of our product; and
- working towards obtaining requisite permits and completing necessary permitting activities in relation to the Penco Module.

Comparative Performance

After a successful FY 2020, the Company continued to advance the development of the Penco Module and made consistent investments in respect of evaluation and exploration ("E&E") assets and property, plant and equipment ("PP&E") assets totalling US$11.661 million and US$0.343 million, respectively, as compared to approximate spend of US$8.297 million and US$0.294 million in FY 2020.

During FY 2021, the Company focused on delivering the Technical Report, which incorporated brownfield exploration and infill drilling results, metallurgical testing, estimation of the construction capital expenditure costs and future operational expenses, all of which were derivative of continued exploration and technical testing activities throughout FY 2020 and FY 2021.

In addition to technical aspects related to the Penco Module, the Company also focused on advancing the environmental permitting process. As part of the Environmental Impact Assessment ("EIA") of the Penco Module initiated in 2018 (the "Original EIA"), the Company filed an initial application and three supplementary submissions to the Environmental Assessment Service ("SEA") by way of addendums (each an "Addendum") and engaged in a number of productive discussions with the relevant authorities relating to the Penco Module. Management of the Company expected an evaluation report to be issued by the SEA in advance of and as a requirement to the decision-making process of the relevant environmental permitting evaluation committee, which was required to render its decision in respect of the environmental permit by April 19, 2022. Notwithstanding that over the course of the Original EIA approval process, the Company had addressed many key aspects relating to the Penco Module, the Company was unable to satisfy the SEA in relation to two technical aspects in particular, which related to the protection of local flora and fauna, within the mandated regulatory timetable relating to the Original EIA process. In light of follow-up discussions between representatives of Aclara and the SEA to better understand the outstanding issues and consultations with technical and other advisors, on March 24, 2022, the Company withdrew its application for the Original EIA so that it could fully address the issues raised during the late stages of the application process. The Company determined that it was in its best interests and those of the Penco Module to take the additional time required to fully understand and resolve the remaining issues and plans to resubmit a revised EIA application relating to the Penco Module ("Revised EIA"). The Company will provide additional clarity on the timing of the revised application following additional consultations with the relevant authorities and its advisors. Management's current expectation, based on preliminary discussions with its technical consultants and other advisors, is that the Revised EIA approval process could take two years or more to complete. However, there can be no assurances as to the timing of a Revised EIA application, the length of delay in obtaining an approval or whether or not such approval will be issued. Management of Aclara believes that the Company is well-funded and is in a position to continue with the permitting process while it advances its exploration program and its feasibility study.

During FY 2021, the Company was also focused on advancing greenfield exploration activities resulting in incurred total expenses of US$0.514 million, as compared to US$0.554 million in FY 2020. The exploration work primarily focused on recognizing new areas with potential ionic clays. At the end of 2021 and as a result of positive preliminary soil sampling and mapping results, the Company conducted a multi-element geophysics radiometry and magnetometry fly-over covering approximately 6,017 km^2 in surface area. Airborne radiometric data collected will contribute to an evaluation of the mineral resource potential in the area and evidence new mineral targets.

As a result of increased development activities related to the Penco Module and additional exploration work, the Company incurred administrative expenses of US$0.498 million during FY 2021, compared to USD$0.237 million during FY 2020.

On December 10, 2021, the Company raised net proceeds of US$93.154 million (approximately C$117.696 million) through its Going Public Transaction, reaching a total cash balance of US$91.185 million at the end of the year compared to US$1.265 million during FY 2020. The Company is fully funded for the next eighteen months in terms of contemplated capital and operating expenditures including, among other things, development of a feasibility study in respect of the Penco Module, brownfield exploration and infill drilling activities, permitting and environmental, social and governance considerations and related activities, surface land purchasing and mining concessions, capital expenditures related to the continued development of the Penco Module, and preliminary exploration activities in connection with defining potential new development zones. The Company is not fully funded to bring the Penco Module up to production and will have to go to market to raise additional funds.

SELECTED ANNUAL INFORMATION

Aclara is a development-stage mineral resources company that has not earned any revenues to date. The majority of activities undertaken in FY 2021 were related to, among other things, engineering studies in respect of the Penco Module, exploration activities, permitting considerations, community relations outreach and mine and process engineering and design. The following table sets out selected aspects of the Company's income statement for FY 2021, FY 2020 and fiscal year ended December 31, 2019 ("FY 2019").

		Year Ended December 31	
(in thousands of US$)	**2021**	**2020**	**2019**
Income statement			
Loss for the year from continuing operations	**(1,508)**	**(791)**	**(312)**
Basic loss per share	(0.02197)	(0.01981)	(0.00801)
Diluted loss per share	(0.02197)	(0.01981)	(0.00801)

Loss from continuing operations for FY 2021 totalled US$1.508 million, which was primarily comprised of administrative expenses of US$0.498 million, greenfield exploration expenses of US$0.514 million, and exchange rate loss of US$0.479 million. Comparatively, loss from continuing operations for FY 2020 totalled US$0.791 million, which was primarily comprised of administrative expenses of US$0.237 million and greenfield exploration expenses of US$0.554 million; and loss from continuing operations for FY 2019 totalled US$0.312 million, which was primarily comprised of administrative expenses of US$0.075 million and greenfield exploration expenses of US$0.223 million. The increase in year-over-year ("YoY") administrative expenses was mainly due to additional personnel expenses as part of the Company's plans to meet future objectives.

The following table sets out selected aspects of the Company's consolidated statement of financial position for FY 2021, FY 2020 and FY 2019.

		Year Ended December 31	
(in thousands of US$)	**2021**	**2020**	**2019**
Statement of financial position			
Total assets	**164,817**	**75,162**	**61,732**
Cash and cash equivalents	64,185	1,265	1,220
Short term investment	27,000	-	-
Property, plant and equipment	704	536	200
Evaluation and exploration assets	70,125	70,921	58,850
Account receivable current assets	136	247	1,435
Account receivable non-current assets	2,667	2,193	27
Total liabilities	**3,050**	**6,032**	**1,810**
Current liabilities	3,050	6,032	1,810
Total equity	**161,767**	**69,130**	**59,922**

The balance of evaluation and exploration assets included all capitalized expenses related to the development of the Penco Module. Capitalized expenses were mainly comprised of brownfield exploration, engineering activities, permitting expenses, and management expenses. See "Discussion of Results and Operations Update".

As at December 31, 2021, the Company had US$64.185 million in cash and cash equivalents and US$27.000 million in term deposits denominated as short-term investments. As at December 31, 2020, the Company had US$1.265 million in cash and cash equivalents and nil term deposits denominated as short-term investments. As at December 31, 2019, the Company had US$1.220 million in cash and cash equivalents and nil term deposits denominated as short-term investments.

The following table sets out selected aspects of the Company's statement of cash flows for FY 2021, FY 2020 and FY 2019.

	Year Ended December 31		
(in thousands of US$)	**2021**	**2020**	**2019**
Statement of cash flows			
Cash flows from/ (used in) operating activities	(4,024)	2,511	204
Cash flows used in investing activities	39,004	(8,591)	(717)
Cash flows generated from financing activities	105,948	7,000	492

As at December 31, 2021, cash flows used in operating activities totalled US$4.024 million and were comprised of a profit loss of US$1.508 million, negative change in working capital of US$0.834 million, and a negative adjustment of non-cash flow concepts (i.e., depreciation and others) of US$1.671million. As at December 31, 2020, cash flows from operating activities totalled US$2.511 million and were comprised of a profit loss of US$0.791 million, positive change in working capital of US$3.242 million and a positive adjustment of non-cash flow concepts of US$0.058 million. As at December 31, 2019, cash flows from operating activities totalled US$0.204 million and were comprised of a profit loss of US$0.312 million, positive change in working capital of US$0.449 million, net finance income of US$0.014 million, taxes paid of US$0.003 million and a positive adjustment of non-cash flow concepts of US$0.068 million.

As at December 31, 2021, cash flows used in investing activities totalled US$39.004 million and were comprised of short-term investments of US$27.000 million, investments in E&E assets of US$11.661 million and in PP&E assets of US$0.343 million. As at December 31, 2020, cash flows used in investing activities totalled US$8.591 million and were comprised of investments in E&E assets of US$8.297 million and in PP&E assets of US$0.294 million. As at December 31, 2019, cash flows used in investing activities totalled US$0.717 million and were comprised only of investments in E&E assets.

As at December 31, 2021, cash flows generated from financing activities totalled US$105.948 million and were comprised of capital contributions from HM Holdings of US$11.250 million, and a capital raise of US$ 94.698 million from the Going Public Transaction (IPO expenses of US$1.544 million were still pending to be paid at December 31, 2021). As at December 31, 2020, cash flows generated from financing activities were comprised of capital contributions by HM Holdings of US$7.000 million. As at December 31, 2019, cash flows generated from financing activities were comprised of a private placement made by HM Holdings of US$0.492 million.

DISCUSSION OF RESULTS AND OPERATIONS UPDATE

Exploration Activities

Brownfield Exploration

Following the change in REE Uno's ownership, the Penco Module's mineral resources were retested in 2020. For the purpose of the mineral resource retest, the Company drilled an aggregate of 6,486 metres over 220 sonic drill holes, which are described in the Technical Report.

In the first half of 2021 ("H1 2021"), the Company carried out a brownfield exploration programme to add new resources and increase the life of mine of the Penco Module. In total, 6,418 metres in 259 sonic drill holes were executed and were considered for resource estimation as part of the Technical Report. Mineral resources in respect of the Penco Module were reported in the Technical Report by applying a cut-off NSR of 9.79 US$/t as of September 15, 2021.

Category	Tonnage (t)	NSR[1] ($/t)	REYT[2] (ppm)	TREO[3] (ppm)	REO[4] total content (t)	Recovery
Measured	15,357,416	28	2,080	2,467	37,887	18%
Indicated	5,323,628	25	1,945	2,309	12,292	17%
Measured + Indicated	20,681,044	27	2,045	2,426	50,178	18%
Inferred	2,083,200	24	1,936	2,299	4,788	16%

Notes:
(1) "NSR" means net smelter return.
(2) "REYT" means total rare earth elements and yttrium.
(3) "TREO" means total rare earth oxides including: La2O3, Ce2O3, Pr2O3, Nd2O3, Sm2O3, Eu2O3, Gd2O3, Tb2O3, Dy2O3, Ho2O3, Er2O3, Tm2O3, Yb2O3, Lu2O3, and Y2O3.
(4) "REO" means rare earth oxides including: La2O, Ce2O3. Pr2O3, Nd2O3, Sm2O3, Eu2O3, Gd2O3, Tb2O3, Dy2O3, Ho2O3, Er2O3, Tm2O3, Yb2O3, Lu2O3 and Y2O3.

In the third quarter of 2021, as part of the Company's brownfield exploration programme, the Company completed a drilling campaign totalling 697 metres in 28 drill holes.

In the fourth quarter of 2021, after having obtained the results from the drill hole campaign performed during the prior quarter, results showed the presence of a western extension to the existing Alexandra Oriente orebody. This new zone, named "Alexandra Poniente", is currently being drilled in the first quarter of 2022 in order to determine whether underlying mineralisation is sufficiently continuous to be classified as measured and indicated resource. Furthermore, a drill hole campaign is planned to convert the approximately 2Mt inferred resource, as reported in the Technical Report into measured and indicated resource for inclusion in the contemplated feasibility study in respect of the Penco Module.

Greenfield Exploration

In the fourth quarter of 2021, ongoing surface mapping across the Veronica, Catalina, and Petronila districts were carried out to identify the presence of regolith formations and REE mineralization within these zones. The initial success of this mapping provided the basis for conducting a multi-element geophysics radiometry and magnetometry fly-over that covered 6017 km. The survey took place over certain districts preliminarily identified as being potentially viable for REE mineralization (including, the Verónica, Josefa, Catalina, Petronila, and Amparito districts) with the objective of creating a ternary Red-Green-Blue map by using variables such as uranium, thorium, and potassium to link lithology with radiometry for the purposes of identifying structural controls in geomorphology and regolith formation. Corresponding survey results were delivered at the end of the first quarter of 2022, and will inform the target generation planning associated with potential greenfield drill programmes during 2022.

Development Activities

The Company's principal business is the development of the Penco Module, including exploration, drilling, engineering and design, metallurgical testing, social engagement with local communities, environmental base line studies and permitting related activities.

During FY 2020, the Company's technical team focused on producing an internal scoping study to preliminarily define the Penco Module through conceptual engineering and initial testing. Several initial tests were performed by experts from the University of Toronto on deposit samples from the Penco Module while Pentatech and Dewatering Solutions (Peru) performed conceptual engineering and initial testing. Initial batch pilot testing was carried out at Chapi (Peru) to test REE recoveries, impurities and carbonates precipitation behaviors from processing different geometallurgical samples. Equipment testing was also initiated and were performed by Outotec and Tenova. Radioactivity tests were also performed by ANSTO on certain of the solids and liquids produced during the batch pilot testing. Other initial studies including geotechnical and topographic studies for the proposed processing plant site, stability analysis of waste dumps, road studies and water intake studies for the Penco Module were also conducted. In November 2020, Ausenco Engineering Chile Limitada ("Ausenco") was hired to perform general engineering, mining studies and process design with a view towards performing an eventual feasibility study.

General Engineering

The following section of this MD&A provides an overview of the activities carried out by Ausenco in support of the continued development of the Penco Module for the specified period during FY 2021.

The work completed by Ausenco up until the end of the first quarter of 2021 included a review of information and completed studies provided by the Company, the development of preliminary engineering of the production process and the estimation of a class 5 capital expenditure cost estimate. The main inputs for the capex estimation were the process design and the mining study in connection with the geological exploration campaign conducted in FY 2020. Other studies including mechanical, civil, geotechnical and hydraulic engineering focused on areas other than the process plant, the preliminary designs for the water system from the water intake to the contemplated process plant, mining roads and disposal facilities.

Subsequently, during the second quarter of 2021, the Company evaluated various options to advance the operations of the Penco Module and requested for Ausenco to prepare a preliminary economic assessment technical report, the scope of which included process plant design optimization and incremental results obtained from the Company's exploration campaign conducted in the first quarter of 2021.

The work done by Ausenco to the end of Q3 2021 mainly related to the development of the Technical Report where the following aspects of the report were advanced: mineral resource estimate, mining study, process design, waste disposal facility review, costs estimation and economic analysis.

During the fourth quarter of 2021, Ausenco completed the Technical Report in accordance with the guidelines provided under National Instrument 43-101 – Standards of Disclosure for Mineral Projects. An initial draft of the Technical Report was published by the Company on October 15, 2021. Additionally in the same quarter, Ausenco was further engaged to begin the development of the prefeasibility study for the purposes of defining layout and engineering of the contemplated processing plant.

Mining Study

The Company completed a preliminary resource estimation and mining study based on an exploration campaign conducted during FY 2020. The mining study included the development of design criteria, trade-off studies, pit and phase selection, production schedules and mining equipment. During FY 2021, the Company has continued its drilling programs in zones adjacent to the those targeted in the exploration campaign conducted in 2020 to further define relevant metrics of the Penco Module and update corresponding mineral resource estimates. Ausenco supported the Company's work by assisting with the definition of domains, composition, variographic studies and the estimation of block models for inclusion under the Technical Report. The latest mining study included in the Technical Report comprises revised design criteria, economic envelope analysis and mining phase selection.

During the development of the resource estimation and mining studies, the Company detected that its previous methodology for determining relevant extraction values were subject to an average of 5% downward adjustment bias and subsequently worked with Ausenco to provide for appropriate correction factors. Ausenco then finalized the updated Technical Report as a result of applying the modified block models to the underlying extraction values.

During the fourth quarter of 2021, Ausenco provided support for the Company in performing a preliminary economic envelope analysis of the Alexandra Poniente zone. In addition, a statistical analysis was performed to assess statistical significance of any correlation of impurities.

Process Design

Since the Company's initial mining study, a trade-off study for the leaching circuit, which includes four new alternatives, was completed. During the second quarter of 2021, following an extensive review, a counter current decantation leaching system was selected as the most economically attractive option. The Company continues to advance the process design and has engaged several vendors for performance testing to define the technology and validate its efficiency and operability prior to initiating commercial scale construction.

In addition to the activities related to the Technical Report, the process team continued the development of the process pre-feasibility engineering with the purpose of finalizing the preliminary design. These activities included the development of the process design criteria, mass balance considering the option of recirculation of the treated water in the plant, definition of the main process equipment, the trade-off for the water treatment system, the trade-off for the leaching system, operating costs, analysis and review of vendors and laboratory tests and meetings with equipment suppliers.

During the fourth quarter of 2021, engineering was advanced to define a pilot plant of the entire flowsheet to confirm the process design parameters and assumptions. This included the development of the process design criteria, mass balance, process flow diagrams and the identification of laboratories that could carry out the piloting.

Results of the PEA Technical Report

The Technical Report prepared by Ausenco indicated that the Penco Module, subject to the qualifications and assumptions described therein, may be developed economically and further recommends a pre-feasibility and feasibility studies to be conducted in order to further evaluate economic viability.

Key findings of the Technical Report included, among other things:

- Average Basket Price (2024-2035) (1): 96 US$/kg REO
- Mine Life: 12 years
- Total Process Plant Feed: 19,856 kt dry (1,766 kt dry average annual capacity)
- Strip Ratio: 0.368
- Production REO: 8901 t (774 t average annual)
- Cash Costs(2): 36 US$/kg REO
- AISC(3): 39 US$/kg REO
- Annual Average EBITDA: US$47 million
- Pre-Tax NPV (5%) and IRR (%): US$228 million and 25.0%
- Post Tax NPV (5%) and IRR (%): US$178 million and 23.0%

Notes:
(1) Basket price has been calculated using the distribution of each element as a percentage of the total rare earth element oxides multiplied by the price projection of each element, which have been sourced by Argus Media (La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Ho, Er, Tm, Yb, Lu, Y) and CRU (Dy).
(2) Cash costs consist of mining costs, processing costs, mine-level general & administrative expenses, treatment and transportation costs.
(3) AISC includes cash costs plus sustaining capital, closure cost and salvage value.

Environmental, Social and Governance

Environment and Permits

During FY 2020, the Company focused primarily on meeting technical requirements under the Environmental Impact Assessment System pursuant to the Regulation for the Environmental Impact Assessment System applicable with respect to the Penco Module and its future development and operations. In particular, the Company submitted Addendum N°1 of the Penco Module's Environmental Impact Assessment study ("EIA") on November 19, 2020 which included information relating to the chemical and physical stability of potential mining wastes, and expert findings of potential impacts on flora and vegetation. Further to the above, one of the Company's primary objectives was to bridge lines of communication and commence meetings with the technical authorities to introduce Aclara's management and communicate the projected schedule for all new requirements during the evaluation process. The most important authorities contacted included the Environmental Assessment Service ("SEA"), Geology and Mining Service (SERNAGEOMIN), Water Agency (DGA), and Forrest Corporation (CONAF

The Company continued its environmental assessment process in H1 2021. In January 2021, a new Citizen Participation Process ("PAC") was carried out at the request of the SEA, which included holding virtual meetings and conducting door-to-door field activity. At the end of February 2021, the technical authorities issued a Complementary Consolidated Report on Clarifications, Rectifications or Extensions ("ICSARA") which included 136 supplemental questions posed by the regulatory authorities in respect of environmental responsibilities relating to the Penco Module. In late April 2021, an additional Citizen ICSARA was issued pursuant to the PAC process which included approximately 1,150 questions.

During the third quarter of 2021, the Company developed campaigns dedicated to measuring environmental baseline (including with respect to flora, fauna, human environment, air, landscape, among others) in order to collect specific information and support the observations and responses made by the Company under Addendum N°2. In the process of preparing Addendum N°2, the Company completed a technical document answering the 136 questions provided by the SEA and completed a peer review process for validation. The Addendum N°2 was submitted to the authorities on October 29, 2021.

On December 16, 2021, the SEA issued a third complementary Addendum requiring Company responses by February 25, 2022. The Company completed and submitted Addendum N°3, as further complement to the Penco Module EIA, to the SEA on January 31, 2022. Management of the Company expected an evaluation report to be issued by the SEA in advance of and as a requirement to the decision-making process of the relevant environmental permitting evaluation committee, which was required to render its decision in respect of the environmental permit by April 19, 2022. Notwithstanding that over the course of the Original EIA approval process, the Company had addressed many key aspects relating to the Penco Module, the Company was unable to satisfy the SEA in relation to two technical aspects in particular, which related to the protection of local flora and fauna, within the mandated regulatory timetable relating to the Original EIA process. In light of follow-up discussions between representatives of Aclara and the SEA to better understand the outstanding issues and consultations with technical and other advisors, on March 24, 2022, the Company withdrew its application for the Original EIA so that it could fully address the issues raised during the late stages of the application process. The Company determined that it was in its best interests and those of the Penco Module to take the additional time required to fully understand and resolve the remaining issues and plans to resubmit a Revised EIA application. The Company will continue to work together with the relevant authorities to address the issues raised and, along with its technical consultants and other advisors, are undertaking a full review of the particular issues raised during the Original EIA approval process with a view to addressing them in a comprehensive manner. The Company will provide additional clarity on the timing of the revised application following additional consultations with the relevant authorities and its advisors. Management's current expectation, based on preliminary discussions with its technical consultants and other advisors, is that the Revised EIA approval process could take two years or more to complete. However, there can be no assurances as to the timing of a Revised EIA application, the length of delay in obtaining an approval or whether or not such approval will be issued. Management of Aclara believes that the Company is well-funded and is in a position to continue with the permitting process while it advances its exploration program and its feasibility study.

Occupational Health and Safety

Health and safety in the workplace are among our highest priorities, and our policies and procedures seek to eliminate accidents. Regulations were enacted in February 2004 governing safety standards for mining operations.

Mining is an inherently dangerous activity that involves substantial risks. A fatal accident occurred on November 16, 2021, caused apparently by a hydraulic connection failure on a compactor-roller machine, which resulted in the fall of the machine and operator of about 50 m from a forest platform slope. Mr. Luis Torres, an operator with more than 30 years' experience who was an employee of Empresa Aninat Maquinaria y Construcción Limitada ("Aninat"), was critically injured and passed away at the scene. The accident was investigated by competent local authorities having jurisdiction over the matter (i.e., the Work Inspection and Sanitary Regional Secretary) for approximately 30 days, following which sanctions were issued against the contractor, Aninat, and the Company resulting in an aggregate amount of US$1,500 paid by the Company as the ultimate penalty.

Safety key performance indicators ("KPIs") including frequency index and severity index, had reported values of 10 and 62,248, respectively for FY 2021. During FY 2020, both metrics reported nil values as there were no recorded accidents. 2021 safety KPI´s were heavily affected by one (1) fatal incident.

Aclara undertook a complete review and overhaul of the Aclara Safety Management Systems, which included:

- a review of the organizational structure of the Company's safety department;
- the strengthening of all the safety procedures relating to equipment condition and maintenance as well as the implementation of mandatory pre-use inspections undertaken by a third-party inspection authority; and
- the redrafting of all construction contracts to clarify both the Company's contractors and the Company's obligations with respect to safety compliance.

Community Relations

During FY 2020, and following the initial baseline study conducted in March for the purposes of mapping community stakeholders and institutions, the Company started field work in conjunction with different organizations in Penco (including from various neighbourhoods, schools and, environmental organizations). The principal aim of the study was to introduce the Penco Module to key community stakeholders, explain its processes, the various milestones of the Penco Module's environmental assessment and detail Penco Module's technical aspects.

During FY 2021, the Company continued to emphasize the maintenance of an open and constant dialogue with the communities to highlight positive attributes of the Penco Module and to address potential concerns. The dialogue with communities has been supported by monthly meetings (known locally as “juntas de participación”), that were complemented by site visits to the project area, and specific meetings in relevant neighbourhoods. During FY 2021, a total of 14 meetings were held with different community organizations.

The development of the Penco Module has experienced some local opposition from certain groups and social organizations. On February 27, 2022, the Municipality of Penco held a non-binding consultation to poll local residents on the development of the Penco Module. Of the 42,186 eligible registered voters of Penco and Lirquen, 7,548 people turned out to vote (representing a turnout of 17.89%) in the said consultation of which 7,474 people voted against the installation of the proposed project. As a response to this development, the Company will be undertaking a local community outreach program during 2022.

OPERATIONAL PERFORMANCE

Source of Funds

From January 1, 2020 to October 15, 2021, the Company received US$20.75 million in capital contributions from its former sole shareholder, HM Holdings, for purposes of advancing the development of the Penco Module and general working capital requirements including, among others, engineering activities, permitting and environmental, social and governance compliance costs, brownfield exploration and administrative expenses.

On December 10, 2021, the Company raised aggregate net proceeds of US$93.154 million (approximately C$117.696 million) in connection with its Going Public Transaction.

As at December 31, 2021, the Company had a cash balance of US$64.185 million and short-term investments in term deposits of US$27.000 million, totalling a cash availability of US$91.185 million. The Company is expected to be able to fully fund its liabilities and ongoing capital and operating expenditures for fiscal year 2022.

Overview of Operating Expenditure and Costs

During FY 2021, the Company incurred a loss of US$1.508 million, compared to a loss of US$0.791 million during FY 2020.

	Year Ended December 31	
(in thousands of US$)	**2021**	**2020**
Exploration expenses	(514)	(554)
Administrative expenses	(498)	(237)
Finance costs	(17)	(2)
Finance income	-	2
Exchange Rates	(479)	-
Loss from continuing operations before income tax	**(1,508)**	**(791)**

Exploration Costs

The breakdown of exploration costs incurred by the Company for FY 2021 and FY 2020 are as follows:

	Year Ended December 31	
(in thousands of US$)	**2021**	**2020**
Personnel expenses	68	117
Analysis & technical	195	268
Contractors and Services	86	-
Studies	51	8
Technology and system	42	-
Mining rights	-	90
Other	72	71
Total	**514**	**554**

Exploration expenses comprise all activities related to and arising from greenfield exploration. Greenfield exploration is conducted for the purposes of identifying additional resources that may support new development and operation modules. Greenfield activities include, among others, superficial mapping works, geophysics and topographic studies. During FY 2020, expenses incurred by the Company were primarily related to superficial mapping, consisting of collecting and testing the composition of soil samples in order to determine the presence of additional deposits containing ionic clays. Greenfield exploration programmes are both intensive in labour (i.e., personnel expenses incurred to define unexplored districts and zones) and technical cost (i.e., analysis and technical expenses incurred to process all such soil samples).

During FY 2021, superficial mapping works and chemical analysis also continued through the year, but at a slower pace, which resulted in lower personnel and analysis and technical expenses compared to FY 2020. Positive preliminary results of mapping resulted in the Company undertaking a series of studies with external consultants in order to better delineate the prospectivity of such areas and to subsequently generate exploration targets. The expenses of which were categorized as expenses related to studies, contractor and services and technology and systems. During FY 2021, no expenses related to mining concessions were accounted as those were capitalized as part of the E&E assets.

Administrative expenses

The breakdown of administrative expenses incurred by the Company for FY 2021 and FY 2020 are as follows:

	Year Ended December 31	
(in thousands of US$)	**2021**	**2020**
Personnel expenses	161	-
Professional fees	40	179
Depreciation and amortization	82	58
Contractors and services	190	-
Other expenses	25	-
Total	**498**	**237**

The increase in administrative expenses YoY is primarily due to additional personnel expenses including hiring a new Chief Operating Officer as part of Company's plan to meet future corporate objectives. Other expenses incurred in FY 2021 related to marketing activities for the promotion of the Company's brand, "Aclara" and tax analysis, both incurred in connection with the Going Public Transactions. These increases were partially offset by lower professional fees, portions of which have been capitalized as E&E assets as they were related to the development of the Penco Module.

Finance income and costs

Finance income and finance costs are associated with investments in short-term deposits and interest-bearing bank accounts respectively. Exchange rates loss was mainly driven by an appreciation of the Canadian dollar against the conversion of Canadian dollar proceeds raised from the Going Public Transactions being converted to US dollars as at December 31, 2021.

Evaluation and Exploration Assets

In accordance with accounting principles under IFRS of the capitalization of E&E assets, costs of mineral properties are capitalized as E&E assets on a project-by-project basis. As at December 31, 2021 and 2020, the Company's principal business included the development of the Penco Module. The Company capitalizes expenses related to brownfield exploration and infill drilling, metallurgical testing and process design, engineering of the mine, processing plant and project infrastructure, permitting and administration activities and services.

The following table sets out selected aspects of the Company's E&E assets for FY 2021 and FY 2020:

(in thousands of US$)	**Total**
Balance at 1 January 2020 (1)	58,858
Additions	8,297
Foreign exchange effect	3,774
Balance at 31 December 2020	**70,929**
Additions	11,661
Foreign exchange effect	(12,458)
Balance at 31 December 2021	**70,132**
Accumulated amortisation and impairment	
Balance at 1 January 2020	8
Balance at 31 December 2020	8
Foreign exchange effect	(1)
Balance at 31 December 2021	7
Net book value as at 31 December 2020	**70,921**
Net book value as at 31 December 2021	**70,125**

(1) The book value of the intangible assets reflects the continuing book value of the previous shareholders as of January 1, 2020.

The Company´s initial E&E assets PPA balance in FY 2020 is comprised of additional value attributable to the acquisition of REE Uno by HM Holdings amounting to US$40.915 million as at the moment of the acquisition on August 22nd, 2019.

The total investment in the Penco Module capitalized as at the period ended FY 2021 and FY 2020 is detailed below:

	Year Ended December 31	
(in thousands of US$)	**2,021**	**2,020**
Personnel expenses	2,530	1,527
Feasibility studies	1,693	93
Engineering services	1,003	1,244
Professional fees	933	1,034
Environmental impact study	997	446
Diamond drilling	867	1,195
Mining rights	493	180
Other	3,145	2,578
Total	**11,661**	**8,297**

During FY 2021, capitalized personnel expenses materially increased compared to FY 2020. The increase was mainly related to additional headcount required as part of the development of the project as well as administrative expenses of the Company for the purposes of operating as a stand-alone company following the Going Public Transactions. The headcount as at FY 2021 was 46 compared to 24 as at FY 2020.

Feasibility study expenses increased materially in 2021 compared to 2020. The increase is driven by expenses incurred in advancing the Technical Report, the commissioning of which began in the fourth quarter of 2020. This effect was partially offset by a slight decrease in engineering services, professional fees and diamond drilling capitalized expenses during 2021 compared to 2020, for the same reason.

Environmental impact study capitalized expenses also increased materially in 2021 compared to 2020. The increase is driven by the expenses related to the preparation of Addendum N°2, which was the most comprehensive requirement received in the EIA process comprising 136 technical questions from SEA and 1,150 question from citizens in the Penco district as part of the consultation process.

Mining rights expenses increased in 2021 compared to 2020 as a result of additional concessions claims. The addition of concessions was supported by positive results from exploration mapping and superficial sampling.

Other capitalized expenses also increased in 2021 compared to 2020, and include administrative expenses, contractor and services, and other studies. The increase in contractor and services, and other studies was mainly explained by the additional requirements regarding normal course of the development of the Penco Module. As well, additional administrative expenses of the Company were incurred for the purposes of operating as a stand-alone company following the Going Public Transactions.

In addition to the capitalized expenses, the Company's increase in the value of its E&E assets in 2021 is largely driven by an appreciation in the value of HM Holdings' initial investment of US$42.092 million in REE Uno as at August 22, 2019 being the date of HM Holdings' investment and acquisition of control over REE Uno.

There are no borrowing costs capitalized in evaluation and exploration assets as there are no qualifying assets. There are no restrictions on ownership of evaluation and exploration assets. There are no capital commitments for evaluation and exploration assets.

As at December 31, 2021 and 2020, the Company has not recognized any impairment as no indicators of impairment were identified in the Penco Module.

SUMMARY OF QUARTERLY RESULTS

(in thousands of US$)	December 31, 2021	September 30, 2021	June 31, 2021	March 31, 2021
Net income (loss) from continuing operations	(1,435)	(172)	(109)	208
Net income (loss) and comprehensive income (loss)	**(1,435)**	**(172)**	**(109)**	**208**

(in thousands of US$)	December 31, 2020	September 30, 2020	June 31, 2020	March 31, 2020
Net income (loss) from continuing operations	520	(461)	(715)	(135)
Net income (loss) and comprehensive income (loss)	**520**	**(461)**	**(715)**	**(135)**

During the fourth quarter of 2021, the Company incurred higher net loss from continuing operations compared to the previous quarters mainly due to higher administrative expenses of US$0.410 million related to the Going Public Transaction, an exchange loss as result of converting the IPO and concurrent private placement proceeds from C$ to US$ of US$0.479 million, increased exploration expenses related to the radiometry and magnetometry fly-over of US$0.533 million and finance costs related to a temporary loan from HM Holding of US$0.013 million (the duration of the loan was from October to December and was used as bridge until the completion of the Going Public Transaction). During the third and second quarter period of 2021, net loss was primarily driven by exploration and administrative expenses. During the first quarter in 2021, the Company incurred a net income resulting from adjustments made to 2020 exploration expense provisions.

During the fourth quarter of 2020, the Company incurred a net income compared to previous quarters that presented a net loss, mainly due to a reallocation of administrative expenses to investments in E&E assets of US$0.777 million as those expenditures were classified as part of the Penco Module development cost, exploration expenses of US$0.257 million, and finance costs related to bank commissions of US$0.001 million. Expenses in previous quarters of 2020 were related to administrative and exploration expenses.

FINANCIAL INSTRUMENTS

Nature and Extent

The Company's consolidated financial instruments consist of cash and cash equivalents. Cash and cash equivalents are included in current assets due to their short-term nature. The fair value of cash and cash equivalents approximates their book value.

The Company's consolidated financial instruments for FY 2021 and FY 2020 are as follows:

	Year ended December 31	
(in thousands of US$)	**2.021**	**2.020**
Cash and cash equivalents		
Current demand deposit accounts	64,185	1,265
Total Cash and cash equivalents	**64,185**	**1,265**

As at December 31, 2021, the Company has a term deposit for six months as an investment in Banco Scotiabank for a value of US$27.000 million. As at December 31, 2020, the Company had no time deposits nor mutual funds as the strategy was to maintain cash in the current demand deposit accounts.

Financial Instrument Risks

The Company manages risks to minimize potential losses. The primary objective is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The Company's risk exposure in respect of its financial instruments is summarized below.

Foreign Currency Risk

The Company is a development stage mineral resources company and accordingly, no income or operating costs have been recorded. The principal disbursements are denominated in Chilean pesos. The Company has deposits, trade and other payables and account payables to related parties stated in U.S. dollars.

Credit Risk

Credit risk relates to the Company's inability to make payment of their obligations as they become due. The Company is not exposed to credit risk as it does not have commercial activities.

Liquidity Risk

Liquidity risks relate to the Company's inability to obtain funds required to comply with its commitments, including the inability to sell a financial asset quickly enough and at a price close to its fair value. Management regularly monitors the Company's level of short- and medium-term liquidity, and access to credit lines, in order to ensure appropriate financing is available for its operations. As of the date of this MD&A, the Company has not opened, or been provided access to, any lines of credit.

LIQUIDTY AND CAPITAL RESOURCES

Working capital requirements

The Company has working capital needs of US$2.915 million as at December 31, 2021. This requirement will be largely covered by current cash and cash equivalent position of US$64.185 million.

Off-Balance Sheet Commitments

The Company has no off-balance sheet commitments.

The Company's contractual obligations as at December 31, 2021 that need to be satisfied with cash and their approximate timing of payment are as follows:

(in thousands of US$)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Office leases	48	-	-	-	-
Vehicle leases	26	17	7	-	-
Warehouse leases	124	17	-	-	-
Land acquisition	220	6,000	1,300	1,300	1,300
Total Contractual Obligations	**418**	**6,034**	**1,307**	**1,300**	**1,300**

Cash and Liquidity

On December 31, 2020, REE Uno had received an aggregate of US$7.000 million in capital contributions and a related party loan of US$2.500 million from HM Holdings, the proceeds of which were applied to finance engineering activities, permitting and environmental, social and governance compliance expenses, brownfield exploration and administrative expenses.

As at October 15, 2021, but immediately prior to the contribution of ownership of REE Uno by HM Holdings to the Company, REE Uno received additional capital contributions of US$11.250 million from HM Holdings, the proceeds of which were used to fund activities in connection with the Penco Module, including brownfield exploration activities, the preparation and commissioning of the Technical Report, optimization studies, permitting activities, administration costs, and salaries, as well as greenfield exploration activities for development of future modules.

On December 10, 2021, the Company raised aggregate net proceeds of US$93.154 million (approximately C$117.696 million) in connection with its Going Public Transaction. The net proceeds received by the Company pursuant to the Going Public Transaction will continue to fund activities in connection with the development of the Penco Module including, among other things, the commissioning and preparation of a feasibility study and conducting piloting, brownfield exploration and infill drilling, activities related to permitting requirements and environmental, social and governance compliance, surface land purchase and leasing of mining concessions. In addition, the Company intends to continue to undertake exploration programmes in connection with potential undefined modules and all subsequent steps as may be needed to further assess the viability of any such designated zones.

On October 26, 2021, the Company received a related party loan of US$1.5 million from HM Holdings, having a duration of three months and an annual interest rate of 5.0%. The purpose of this loan was to fund the Company's activities until the completion of the Going Public Transaction. On December 16, 2021, the Company repaid all outstanding principal and interest in the aggregate amount of US$1.509 million.

The Company did not have any commercial debt as at December 31, 2021.

As at December 31, 2021, the Company had a cash balance of US$64.185 million and short-term investments in term deposits of US$27.000, totalling cash availability in the aggregate amount of US$91.185 million. The Company's present cash resources are sufficient to meet all its current liabilities and administrative and overhead expenses for the next eighteen months**.**

Capital Resources

The Company's focus in 2022 is the advancement and development of the Penco Module and any potential future modules located in the concessions beneficially held by the Company.

The primary uses of capital resources in 2022 are expected to include:

(in thousands of US$)	2022
Activities in connection with the Penco Module:	**12,440**
Feasibility study and piloting	9,514
Brownfield exploration and infill drilling (Phase 1)	979
Permitting and ESG-related expenditures	1,455
Surface land purchase and mining concessions	492
Exploration, permitting processes and engineering activities in connection with potential new modules	**5,578**
Administrative expenses and general corporate purposes	**7,353**
TOTAL	**25,372**

As the Company does not currently generate cash flow from operating activities, the Company will be relying on further equity and / or debt financing, or a strategic partnership as the most likely sources of additional funds for the development of the Penco Module and any potential future modules, to the extent necessary.

RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

For FY 2021, the remuneration of the Company's key management totalled US$0.126 million compared to FY 2020 where remuneration of the Company's key management totalled US$0.192 million.

	Year ended December 31	
(in thousands of US$)	2021	2020
Short-term employee benefits	126	192
Total compensation paid to key management personnel	**126**	**192**

Related Party Transactions

The Company was subject to the following related-party balances and transactions during for FY 2021 and FY 2020:

	Accounts payable Year ended December 31	
(in thousands of US$)	2021	2020
Hochschild Mining Holdings Ltd	-	2,500
Compañia Minera Ares S.A.C.	-	875
Minera Hochschild Chile SCM	6	435
Total	**6**	**3,810**

(in thousands of US$)	Accounts receivable Year ended December 31 2021	2020
Hochschild Mining Holdings Ltd	12	-
Total	**12**	**-**

Minera Hochschild Chile SCM and Compañía Minera Ares S.A.C., as members of Hochschild Mining group, are both related parties and have granted intercompany administrative services since 2019.

In connection with the completion of the Going Public Transaction, the Company entered into the Transitional Services Agreement dated as of December 10, 2021 with Hochschild Mining pursuant to which, for a period of 12 months following the implementation thereof, Hochschild Mining will provide certain services related to, among other things, accounting and information technology support, legal matters, environmental and sustainability compliance, investor relations, audit controls and human resources. For a more fulsome description of the Transitional Services Agreement, please see Aclara's most recent Annual Information Form, and Aclara's other filings with securities and regulatory authorities which are available on SEDAR at www.sedar.com.

In addition to the above, as part of the Going Public Transaction, the Company entered into the Investor Rights Agreement dated as of December 10, 2021 with each of HM Holdings and Pelham Investments Corporation which provides each of HM Holdings and Pelham Investment Corporation certain director nomination rights, pre-emptive and top-up rights and registration rights. A summary description of the material terms of the Investor Rights Agreement is included in Aclara's most recent Annual Information Form, and Aclara's other filings with securities and regulatory authorities which are available on SEDAR at www.sedar.com.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company's issued and outstanding share capital comprised of an aggregate of 162,599,162 common shares.

As of the date of this MD&A, the Company's issued and outstanding convertible share capital is comprised of an aggregate of 1,198,956 restricted share units issued pursuant to the Company's long-term incentive plan.

SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies are described in Note 2 to the Financial Statements.

SIGNIFICANT EQUITY INVESTEE

Disclosure related to the Company's significant equity investee is provided under Note 2 to the Financial Statements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation (collectively referred to herein as "forward-looking statements") and are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". All statements other than statements of historical fact are forward-looking statements and in particular, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances and similar words suggesting future outcomes or statements regarding an outlook. All statements in this MD&A that address events or developments that the Company expects to occur in the future are forward-looking statements.

Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Such risks and uncertainties include, but are not limited to, operating in a foreign jurisdiction (including local political and socioeconomic issues); dealing with changes to local laws and regulations; compliance with laws; failure to obtain necessary permits and licences or to renew them; permits and third party consents (as may be required) timing and requirements; impact of social and environmental activism; relations and agreements with local communities; government regulation of mining operations; environmental compliance; expected production, capital and operating costs; REE price volatility; statements regarding anticipated exploration, drilling, development, construction, permitting and other activities or achievements of Aclara; expectations, strategies and plans for the Penco Module, including as it relates to geology, metallurgy, engineering, title, and environmental matters; expected costs and timing of development of the Penco Module; costs, location and timing of potential future exploration and drilling; estimated completion dates for certain milestones; success of future exploration and development activities; the impact of competition and applicable laws and regulations on the Company's operations and results; environmental risks and hazards; future objectives of the Company and growth and other strategies to achieve those objectives; future financial or operating performance of the Company; global markets for the demand and supply of REE; continuous availability of required expertise and manpower; continuous access to capital markets; future trends that may affect the Company's business and results of operations; the impact of the COVID-19 pandemic on Aclara's operations, including any restrictions or suspensions with respect to our operations and the effect of any such restrictions or suspensions on our financial and operational results; the impact of COVID-19 on Aclara's workforce, suppliers and other essential resources and what effect those impacts, if they occur, would have on Aclara's business; future or estimated mine life, rare earth price assumptions, ore grades and sources, recovery rates; the continued qualification for listing on the TSX; and Aclara having further potential through exploration at the Penco Module, and those risks associated with the mining industry, including delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of resource estimates; the uncertainty of estimates and projections in relation to production, costs and expenses and health, safety and environmental risks, the risk of commodity price and foreign exchange rate fluctuations; as well as other factors identified and as described in more detail in Aclara's most recent Annual Information Form, and Aclara's other filings with securities and regulatory authorities which are available on SEDAR at www.sedar.com.

Readers are cautioned that the foregoing list of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

APPROVAL

The Board of Directors of Aclara Resources Inc. has approved the disclosure contained in this MD&A.

ADDITIONAL INFORMATION

Additional information relating to the Company and the Company's other continuous disclosure materials, including the annual information form, annual management's discussion and analysis, audited consolidated financial statements, and notice of annual meeting of shareholders and management information circular will be available on Aclara's website at www. aclara-re.com/ and on SEDAR under the Company's corporate profile at www.sedar.com.