

AXEL REE COMMENCES TRADING ON ASX

HIGHLIGHTS:

- Axel REE has today commenced trading on ASX with the code “**AXL**”
- The IPO received strong support from domestic and international institutional, professional and retail investors
- Axel’s market capitalisation on listing is \$34.9 million with an enterprise value of **\$21.1 million**
- Axel is an Australian-headquartered exploration company focused on the discovery and development of critical minerals resources, primarily rare earth elements (**REE**) in Brazil
- Axel’s 1,000km² of REE projects are located amongst globally significant mines and REE discoveries. Axel’s projects include:
 - **Caladão Project:** located in northern Minas Gerais known as the Lithium Valley, ~30km from Sigma Lithium Corp. Shallow TREO intercepts up to 2m @ 7,612ppm (from 12m) and 35% high-value MREO proportion
 - **Caldas Project:** in and around the Poços de Caldas Alkaline Complex, amongst globally significant IAC REE discoveries including ASX:MEI’s high grade Caldeira Resource
 - **Itiquira Project:** potential new carbonatite intrusive discovery spanning 20km diameter that may host REE and niobium
 - **Corrente Project:** grassroots project over saprolite clay zone
- The funds raised by the IPO will be used to advance Axel’s exploration portfolio, comprising primarily of drill programs at the Caladão Project and Caldas Project
- Axel is **fully funded** to fast-track Caladão towards a maiden resource and commence extensive drilling in Caldas at the Poços de Caldas Alkaline Complex

Brazil-focused critical minerals explorer Axel REE Limited (**ASX: AXL, Axel or the Company**) is pleased to advise it has commenced trading on the Australian Securities Exchange (**ASX**) following the completion of an Initial Public Offering (**IPO**) which raised \$13.3 million (before costs).

Axel is focused on the discovery and development of critical minerals resources primarily REEs, in Brazil. The Company’s projects in the state of Minas Gerais are located in the same region as some of the most exciting ionic adsorption clay-hosted (**IAC**) REE discoveries in recent years, including Meteoric Resources NL’s (ASX: MEI) Caldeira Project and Viridis Mining and Minerals Limited’s (ASX: VMM) Colossus Project.

The Company has issued 66,418,875 IPO shares at an issue price of \$0.20 per Share to raise \$13.3 million (before costs), comprising an oversubscribed institutional offer raising ~\$13 million and a retail offer to raise a further ~\$300,000 to meet minimum spread requirements. At completion of the IPO, Axel REE will have 174,454,487 shares on issue with a market capitalisation of \$34.9 million.

Bell Potter Securities Limited acted as the Lead Manager to the IPO.

Non-Executive Chairman, Paul Dickson, said:

“We are delighted by the response our IPO has received with investment from a range of investors who as shareholders will support Axel’s plans in Brazil. Despite a volatile period in the global markets, interest in Axel’s IPO has been exceptional and the Company is listing with a strong mix of institutional, sophisticated and retail investors.

“The REE sector in Brazil is growing rapidly following significant discoveries of high-grade ionic adsorption clay-hosted mineralisation in recent years. Axel has an opportunity to become the next major player in the Brazilian REE exploration sector with plans to advance two major clay-hosted REE projects (Caladão and Caldas) whilst completing preliminary work on a further two REE projects showing significant upside potential.

With a clear exploration strategy in place and a highly experienced board behind it, we are now fully funded to commence extensive drilling programs and we look forward to delivering strong results for our supportive shareholders.”

Axel REE will primarily use the proceeds from the IPO to fast-track exploration and development of the Caladão Project to a maiden resource and advance the Caldas Project with systematic drilling campaigns. The funds will also be used for exploration activities at the Itiquira and Corrente Projects, and for working capital.

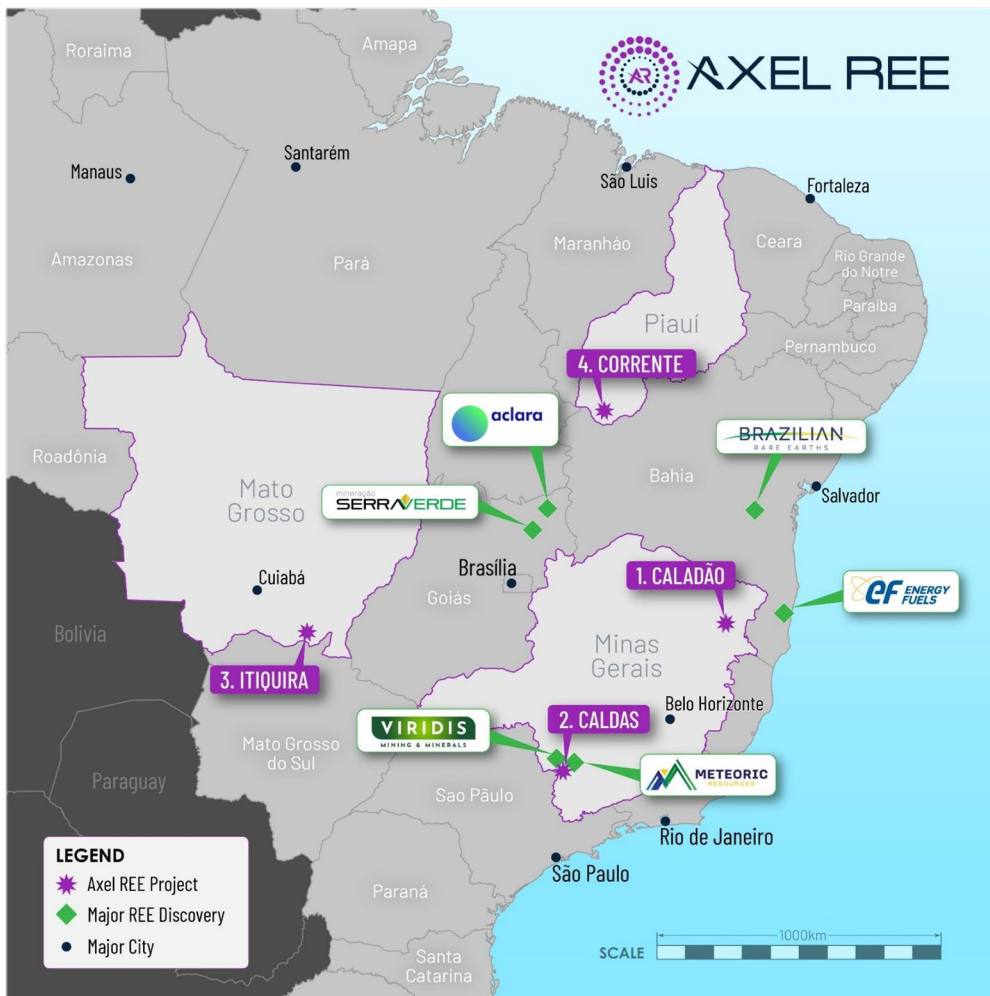


Figure 1: Location map of Axel REE’s projects in relation to other major REE projects in Brazil.

Axel REE's Portfolio in Brazil

Axel REE's 100%-owned portfolio of more than 1,000km² in Brazil comprises:

- **Caladão Project** – Located in the Lithium Valley region, comprising approximately 438km² of granted exploration tenements and exploration tenement applications. The Company has completed extensive programs over the Caladão Project area including geological mapping, reconnaissance soil and rock chip sampling and shallow auger drilling, with TREO intercepts up to 2m @ 7,612ppm and high-value magnetic rare earth oxide (**MREO**¹) proportions of up to 35%.
- **Caldas Project** – Located in the Poços de Caldas Alkaline Complex, south Minas Gerais, the project comprises 232km² of granted exploration licenses and exploration license applications. In September 2023, the Company undertook an initial reconnaissance program at the Caldas Project comprising 34 soil samples and five rock chip samples, which indicated that high-grade REE mineralisation may extend along the weathering profile on the outskirts of the Complex.
- **Itiquira Project** – Located in the state of Mato Grosso, Itiquira is potentially a company-making project with the right geological setting for REE and niobium mineralisation, where a 20km diameter circular magnetic anomaly has been identified.
- **Corrente Project** - Located in the Corrente Municipality in the Piauí State, Axel plans to carry out a field assessment and geochemical program to evaluate the prospectivity of the area

REE in Brazil

The REE sector in Brazil has grown significantly in recent years following the discovery of IAC mineralisation in the State of Minas Gerais by several mining exploration companies.

Brazil, along with Russia was ranked as the third largest country globally in terms of REE resources in 2023 (USGS, 2024). Both countries are reported to host 21Mt of REE resources. China and Vietnam, the first and second largest countries, host 44Mt and 22Mt of resources respectively².

In 2022, China-based production held the dominant position in global REE production, accounting for 78% of the market share. The United States' Mountain Pass project followed with a share of 15%, while Australia's Mt Lynas contributed 6% to global production. The remaining 1% of production came from various other projects worldwide, including those in Myanmar, India, Malaysia and elsewhere³.

In Brazil, primary REE mineralisation is predominantly associated with carbonatite and granitic rocks. Economic deposits are concentrated through secondary processes including weathering, ionic adsorption and sedimentation.

Board of Directors

The Axel Board of Directors comprises an experienced management team with a track record for pioneering resource discoveries, and extensive experience in capital markets and resource development.

¹ **MREO (Magnetic Rare Earth Oxide)** = Nd₂O₃ + Pr₆O₁₁ + Tb₄O₇ + Dy₂O₃

² U.S. Geological Survey, Mineral Commodity Summaries, January 2024

³ S&P Market Intelligence, accessed on 28 September 2023

Paul Dickson – Non-Executive Chairman

Mr. Dickson is a finance and corporate advisory professional with more than 30 years' experience in the finance services industry. He is currently the Non-Executive Chairman of Alligator Energy Limited (ASX:AGE) and is a founding director at Paradigm Capital, a boutique corporate advisory firm.

Dr. Fernando Tallarico – Managing Director

Based in Brazil, Dr Tallarico has more than 30 years' international experience in minerals exploration and grassroots discoveries for junior exploration companies. Previously the Managing Director of Agua Resources (ASX:AGR), Dr Tallarico was instrumental in putting together its phosphate and copper portfolio in Southern Brazil.

Pat Volpe – Non-Executive Director

The founder of Axel REE, Mr. Volpe has over 38 years' experience in minerals and metals exploration, including an extensive history in Brazil. Mr. Volpe has been the founder and Chairman of unlisted supply-critical metals exploration companies in Brazil, having spent over 10 years developing strong relationships with local explorers and governments.

Ian Kiers – Non-Executive Chairman

Mr. Kiers has over 27 years' experience in the private equity sector specialising in mergers and acquisitions (M&A). Mr. Kiers is currently the Non-Executive Chairman of SI6 Metals Limited (ASX:SI6) and was the Chief Executive Officer of GBM Group (a Smorgon Private Family Office) for 19 years.

This announcement was authorised by the Board of Directors.

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About Axel REE

Axel REE is an exploration company which is primarily focused on exploring the Caladão, Caldas, Itiquira and Corrente rare earth elements (REE) projects in Brazil. Together, the project portfolio covers over 1,105km² of exploration tenure in Brazil, the equal third largest country globally in terms of REE resources.

The Company's mission is to explore and develop REE and other critical minerals in vastly underexplored Brazil, which are crucial for the advancement of modern technology and the transition towards a more sustainable global economy. Axel's strategy includes extensive exploration plans, aimed at fully realising the potential of its current projects and seeking new opportunities.

Forward-looking Statements

*This announcement may contain certain forward-looking statements, guidance, forecasts, estimates or projections in relation to future matters (**Forward Statements**) that involve risks and uncertainties, and which are provided as a general guide only. Forward Statements can generally be identified by the use of forward-looking words such as “anticipate”, “estimate”, “will”, “should”, “could”, “may”, “expects”, “plans”, “forecast”, “target” or similar expressions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of the Company. The Company can give no assurance that these expectations will prove to be correct. You are cautioned not to place undue reliance on any forward-looking statements. None of the Company, its directors, employees, agents or advisers represent or warrant that such Forward Statements will be achieved or prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this announcement. Actual results may differ materially from those anticipated in these forward-looking statements due to many important factors, risks and uncertainties. The Company does not undertake any obligation to release publicly any revisions to any “forward- looking statement” to reflect events or circumstances after the date of this announcement, except as may be required under applicable laws.*

Competent Person Statement

*The information in this announcement that relates to exploration results is extracted from the Company’s Replacement Prospectus dated 7 June 2024 (**Prospectus**). The Company confirms that it is not aware of any new information or data that materially affects the information contained in the Prospectus and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the Prospectus continue to apply and have not materially changed.*