

NIOBIUM GEOLOGICAL RECONNAISSANCE AND SCOUTING TO COMMENCE AT ITIQUIRA PROJECT

HIGHLIGHTS:

- Axel to initiate geological reconnaissance and scouting at the Itiquira REE/Niobium Project in Central-West Brazil.
- Itiquira has the same tectonic setting and geological and geophysical attributes as other REE and Niobium mineralised intrusions in Central and Southeast Brazil
- The reconnaissance program will have a focussed exploration team at the Itiquira Project undertaking mapping and sampling to be followed with shallow scout auger drilling
- The program is the third exploration program to commence and run concurrently with the recent launches of the Caladão and Caldas drill programs

Axel REE Limited (**ASX: AXL**, “Axel” or “the Company”) is pleased to announce the commencement of a geological reconnaissance and scouting program at its 100% owned, highly prospective and unexplored Itiquira Project (**Itiquira**). Itiquira is located in the southeast portion of the State of Mato Grosso, in the central-west portion of Brazil.

Axel’s Itiquira Project has 396km² of granted exploration permits covering a significant portion of the Itiquira Complex. Itiquira is interpreted to be an Alkaline Igneous Complex, associated with the Transbrasiliano Lineament. This deep transcontinental structure, together with the 125 AZ Lineament, controlled the ascent and emplacement of mantle-derived magmas during the Cretaceous. Intrusive complexes controlled by these structures include the Araxá and Catalão Carbonatitic Complexes, which contain world class niobium and phosphate mines.

Brazilian niobium deposits are of global significance, accounting for 97% of the world’s supply of niobium concentrate. The Araxá niobium mine is owned by CBMM, the world’s largest niobium producer and accounts for approximately 80% of global supply¹. Catalão is owned by CMOC and is the second largest niobium producer in the world². Another significant Alkaline Complex is the Poços de Caldas Alkaline Complex where Axel has recently announced the commencement of an auger drill program amongst neighbouring companies Meteoric Resources NL and Viridis Mining and Minerals Limited’s world class high grade REE Resources³.

The Itiquira Project combines several geological, geophysical, and geotechnical attributes that underscore its high niobium prospectivity. This potential alkaline intrusive complex has an oval to rounded shape and a diameter of 25 km in the NS- and 20km in the EW-direction, analogous to many other Alkaline intrusions that

¹ <https://cbmm.com/en/our-company/about-cbmm>

² <https://cmocbrasil.com/en/negocios/niobio>

³ Refer AXL ASX release 2 September 2024, “Drill Program Commences at Pocos de Caldas Caldera”

occur along the margins of the Phanerozoic Paraná Basin. All of these Alkaline intrusives, including the Araxá and Catalão mines, exhibit strong bullseye magnetic signatures on airborne geophysical surveys, which is a characteristic/feature also present at Itiquira (refer Figure 3 for comparison). In addition to the same geological setting of other Alkaline Intrusives, Itiquira is hosted by Upper Cretaceous eolian sandstones of the Marília Formation, which places Itiquira within the same timeframe as other REE and Nb-rich Alkaline Intrusions in Brazil.

Managing Director, Dr Fernando Tallarico, said:

“After launching the Caladão and the Caldas drilling programs, we are delighted to be launching our third exploration program at the Itiquira REE/Niobium Project in September. We are very encouraged and welcome this incredible opportunity to investigate one of the very few unexplored bullseye magnetic anomalies of this size in central-west Brazil. Most of the other anomalies of this nature and within the same geotectonic setting have proved to be Alkaline Complexes. We are planning an initial reconnaissance and scouting program comprising mapping, soil and rock chip sampling and, subject to results, will be subsequently followed up by systematic soil grid sampling and initial auger drilling. We look forward to providing updates to our shareholders as results become available.”

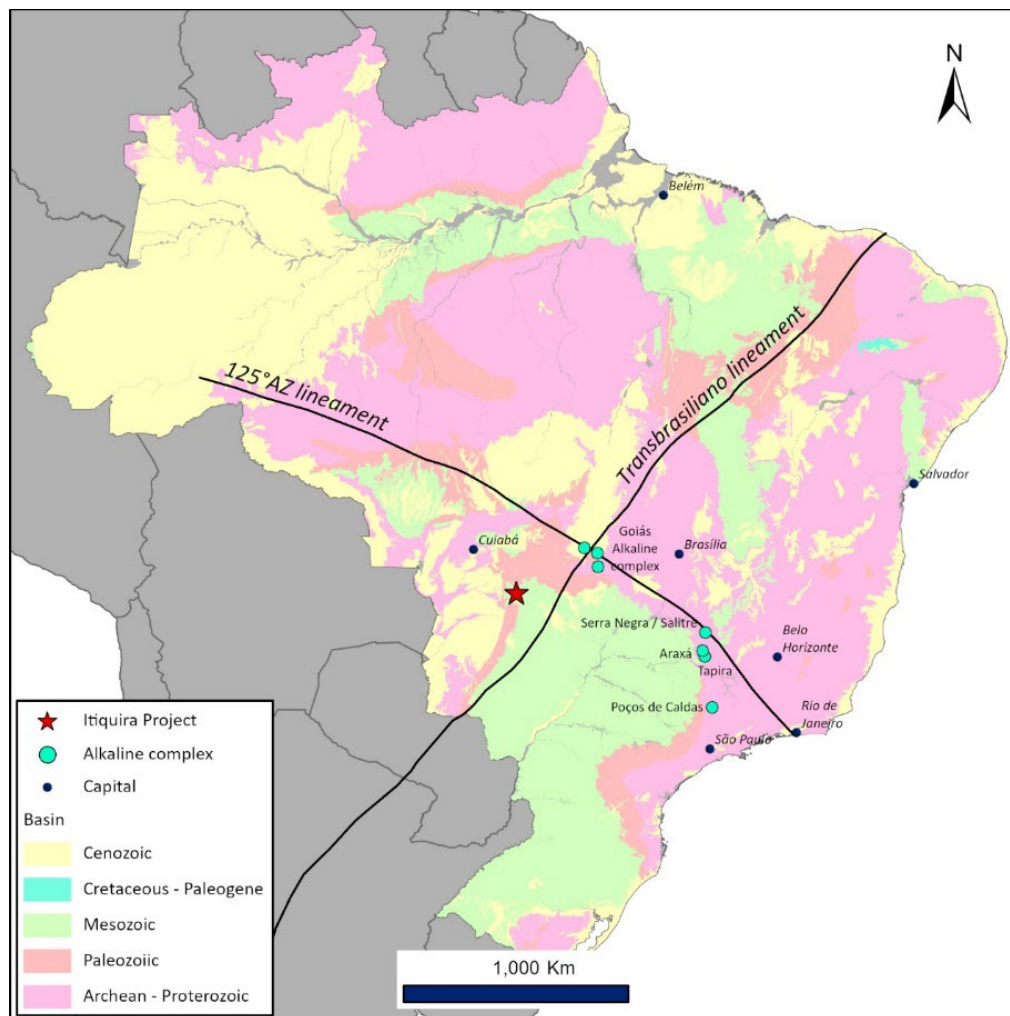


Figure 1 – Geological map of Brazil, highlighting the 125 AZ and the Transbrasiliano lineaments, which are major transcontinental faults that controlled the emplacement of a great number and variety of mantle-derived alkaline intrusions in the Upper Cretaceous. The Itiquira project is shown as a red star.

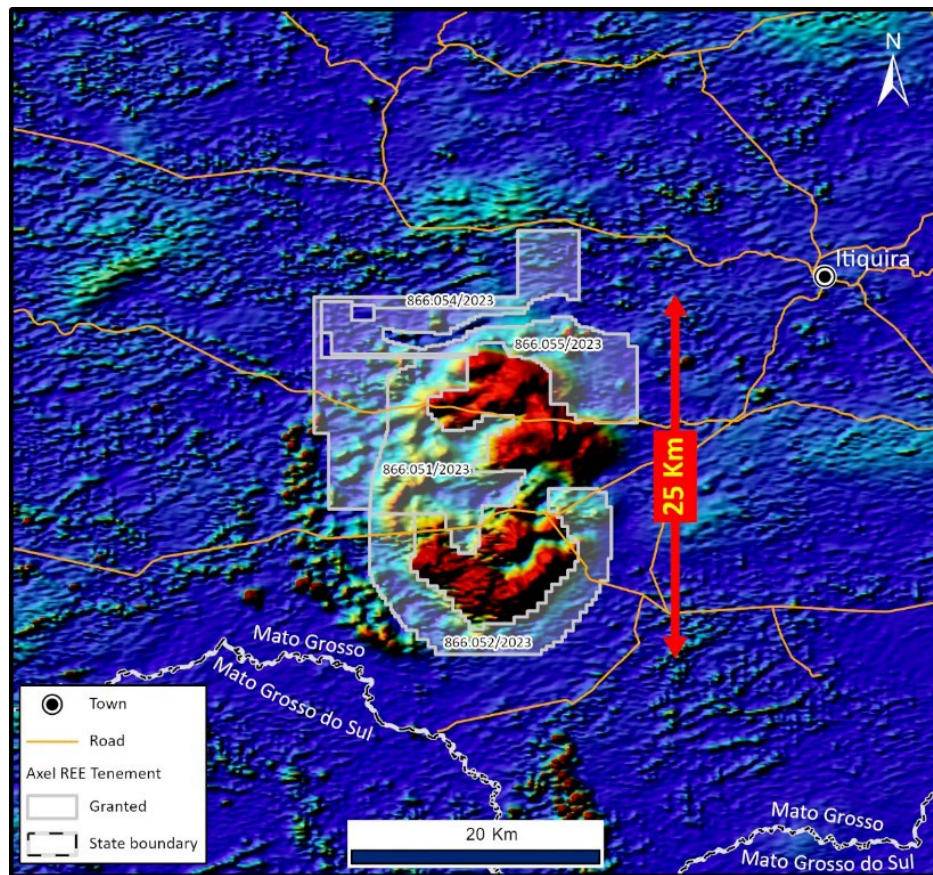


Figure 2 – Airborne magnetics, analytical signal map of the Itiquira Project showing the general distribution of Axel’s tenements covering the core of the 20 km by 25 km bullseyes magnetic anomaly.

For perspective, the Itiquira Project’s airborne geophysical signature shows a similar shape, size, and magnetic response to the major REE/Nb Alkaline Complexes in Brazil (Figure 3 below).

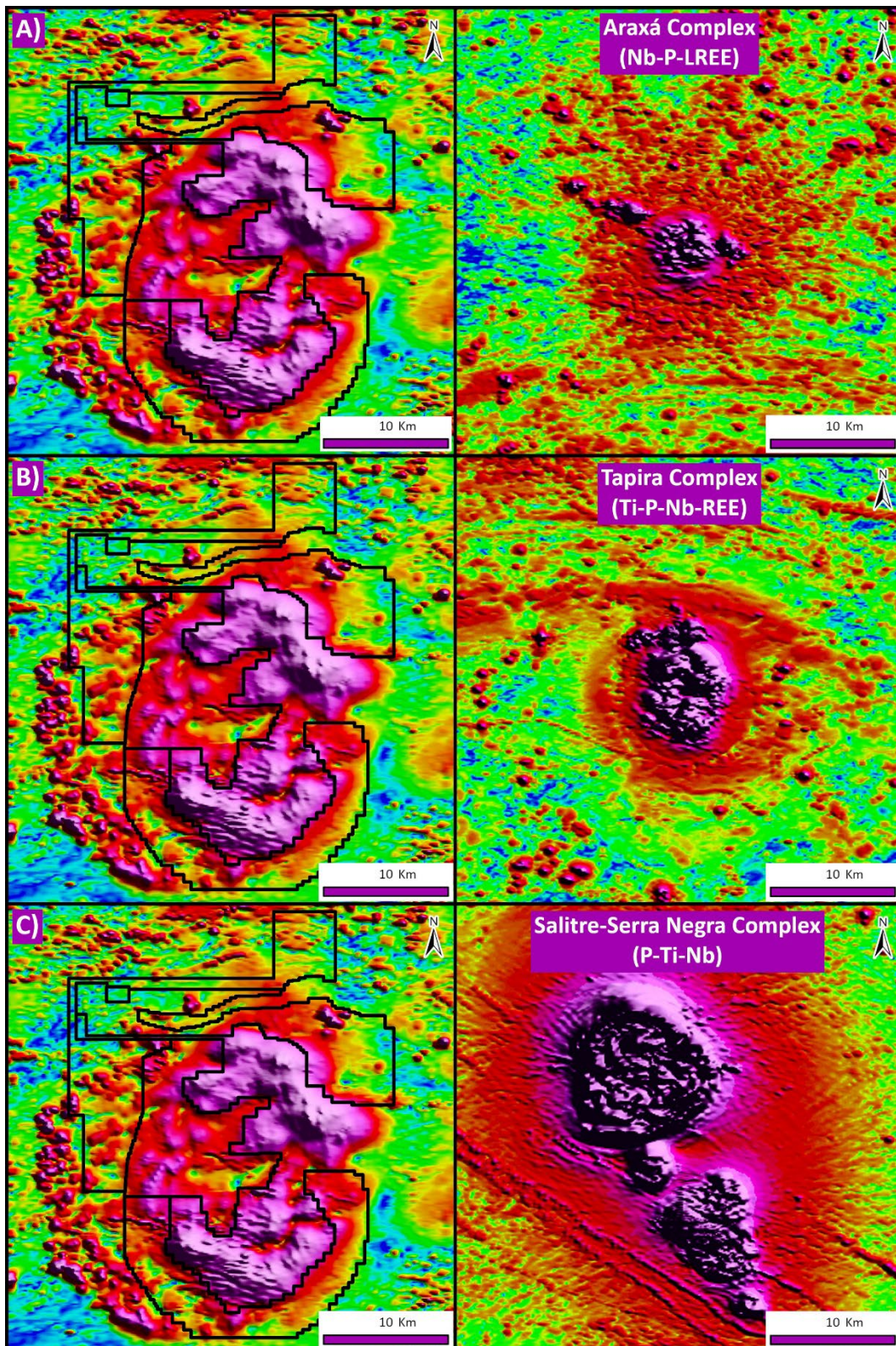


Figure 3 – Comparison of Axel's Itiquira Project Airborne magnetics (Left) to Araxá (A), Tapira Complex (B) and Salitre-Serra Negra complex (C) ⁴. All maps on the same scale.

⁴ Source: Institutional Repository of Geosciences (RIGeo) - <https://rigeo.sgb.gov.br/handle/doc/22525>

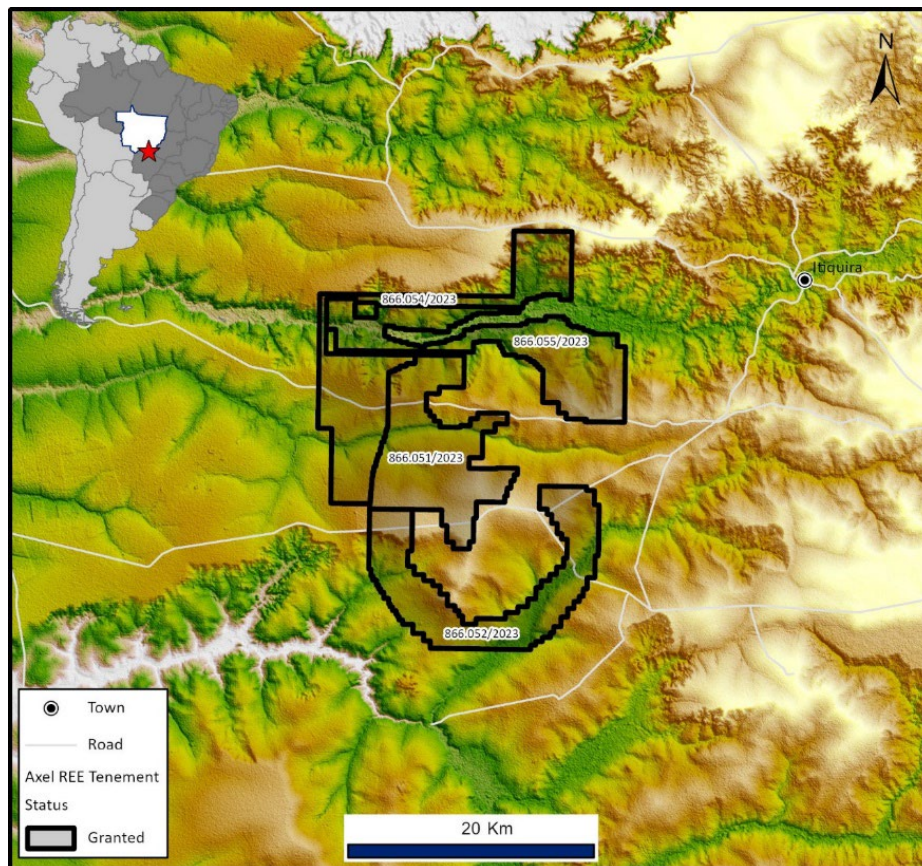


Figure 4 – Topographical map of the Itiquira Project showing the general location and distribution of Axel’s tenements.

The Company will provide regular updates on its three exploration programs working concurrently including:

- Caladão REE Phase One 2,600m Diamond Drill program (of 20,000m campaign) in the Lithium Valley, Minas Gerais;
- Caldas REE auger drill program at the Poços de Caldas Alkaline Complex, Minas Gerais; and
- Itiquira Nb/REE reconnaissance program in Mato Grosso.

This announcement was authorised by the Board of Directors.

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Reference to Previous Announcements

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.

Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Dr. Fernando Tallarico, who is a member of the Association of Professional Geoscientists of Ontario, and Dr. Paul Woolrich, who is a Competent Person and a Member of the Australian Institute of Mining and Metallurgy (**AusIMM**). Dr Tallarico is a full-time employee of the company. Dr. Tallarico and Dr. Woolrich have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves. Dr. Tallarico and Dr Woolrich consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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 third largest country globally in terms of REE Reserves.

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.