AXEL REE

FIRST DIAMOND DRILL HOLE RETURNS UP TO 12,931PPM TREO AT FLAGSHIP CALADÃO REE PROJECT

HIGHLIGHTS:

- The flagship Caladão REE Project emerging as the first known major REE zone in the Lithium Valley, Minas Gerais, near major lithium discoveries in the region by Sigma Lithium Corp. and Latin Resources Limited
- Assays received from first diamond drill hole CLD-DDH-001 identified a thick, clay-hosted mineralised zone, returning exceptional high grade intercepts near-surface:

CAL-DDH-001:	**12.4m @ 5,478ppm TREO from 14m,**
including	**2m @ 12,454ppm TREO from 18m**

- Auger drill holes also intercepted broad, high grade zones of REE mineralisation:

CLD-AUG-055	**10m @ 1,566ppm TREO from 3m,**
ending with	**2m @ 2,757ppm TREO from 11m**
CLD-AUG-056	**12m @ 1,932ppm TREO from surface,**
ending with	**1m @ 4,033ppm TREO from 11m**
CLD-AUG-057	**2m @ 1,852ppm TREO from 11m,**
ending with	**1m @ 2,051ppm TREO from 11m**

- Auger holes intercepted wide zones of mineralisation with continuously high TREO grades, demonstrating a potentially large, mineralised footprint within the project area.
- High-grade TREO zones remain open at depth (all mineralised at end of hole, with increasing grade), suggesting further exploration potential beyond the current auger hole depth
- Drilling results from next batches consisting 76 auger holes and 15 diamond drill holes are expected in the coming weeks
- The Caladão Project is large scale and covers >400km^2 where prior drilling has uncovered 25km of mineralised REE strike and is open in all directions and at depth
- Phase 1 2,600m Diamond Drilling program continuing to build towards a potential resource area at Caladão

Axel REE Limited (**ASX: AXL**, "**Axel**" or "**the Company**") is pleased to announce the first batch of assay results from diamond and auger drilling at the Company's flagship Caladão REE Project located in the Lithium Valley region of Minas Gerais, Brazil.

The results include outstanding shallow, high-grade Total Rare Earth Oxide (**TREO**) intercepts up to 12,931ppm TREO (**CLD-DDH-001**). The initial assays highlight the Project's significant REE mineralisation potential, with extensive lateral continuity of thick high-grade intersections from the diamond drill hole. This underscores the potential for the Caladão Project to emerge into a major REE discovery in Brazil.

Figure 1 - CLD-DDH-001 high grade zone

Managing Director, Dr Fernando Tallarico, said:

"This initial batch of results of the Caladão Project confirms our expectation of a thick, shallow, and laterally persistent clay-hosted REE mineralisation, with high-grade REE mineralisation up to 12,931ppm TREO. These results, coupled with the 25km of REE-mineralised strike identified by previous auger drilling, are incredibly encouraging and validate the potential for a major discovery at the Caladão Project.

Our team is excited to continue our exploration efforts to expand on these results received and further define the potential scale of this Project."

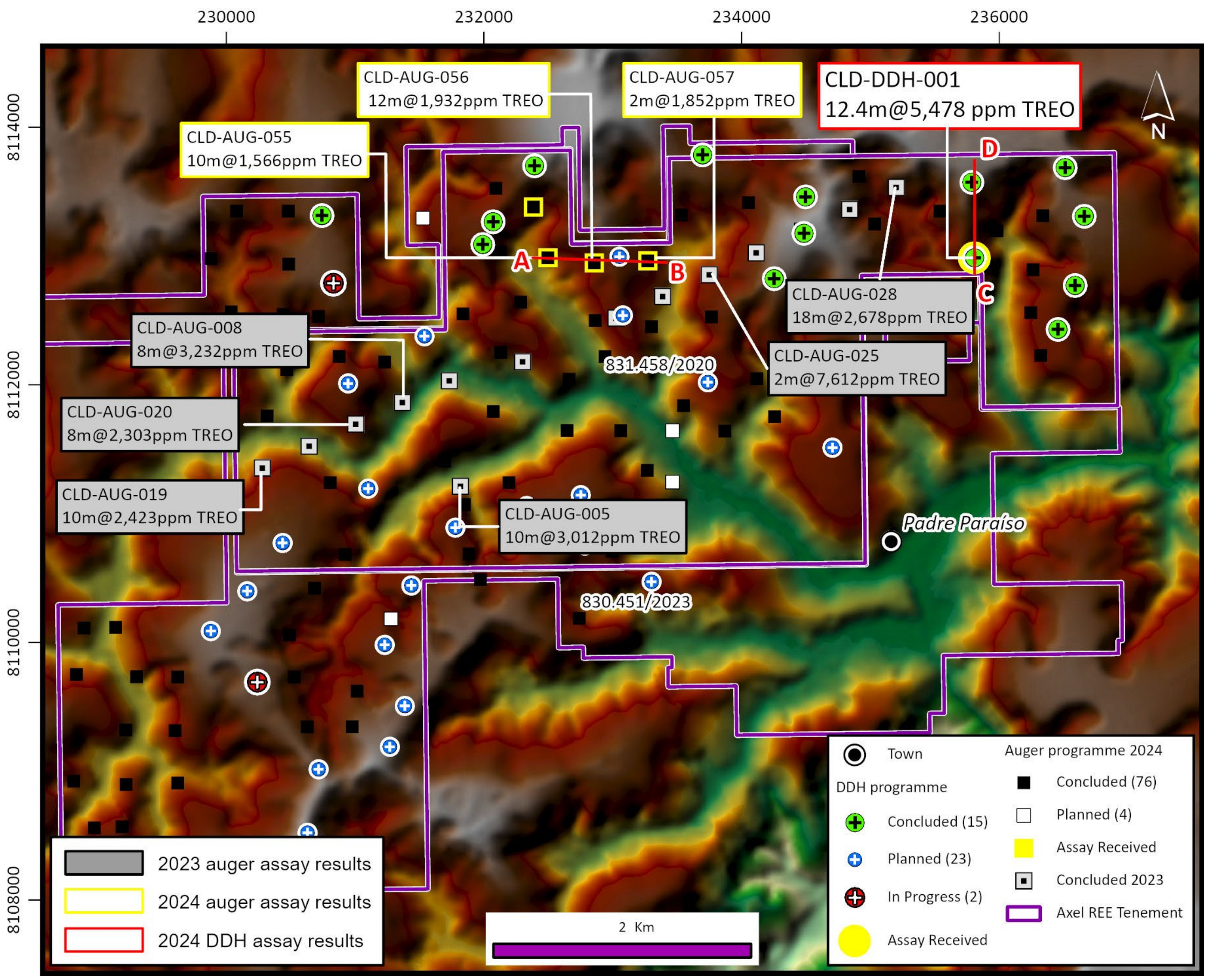

Figure 2 – Drill location map of Caladão "Area A"

REE mineralisation is associated with thick and laterally persistent clay-rich saprolite layers developed by intense weathering of the Caladão Granite and the Padre Paraíso Charnockite.

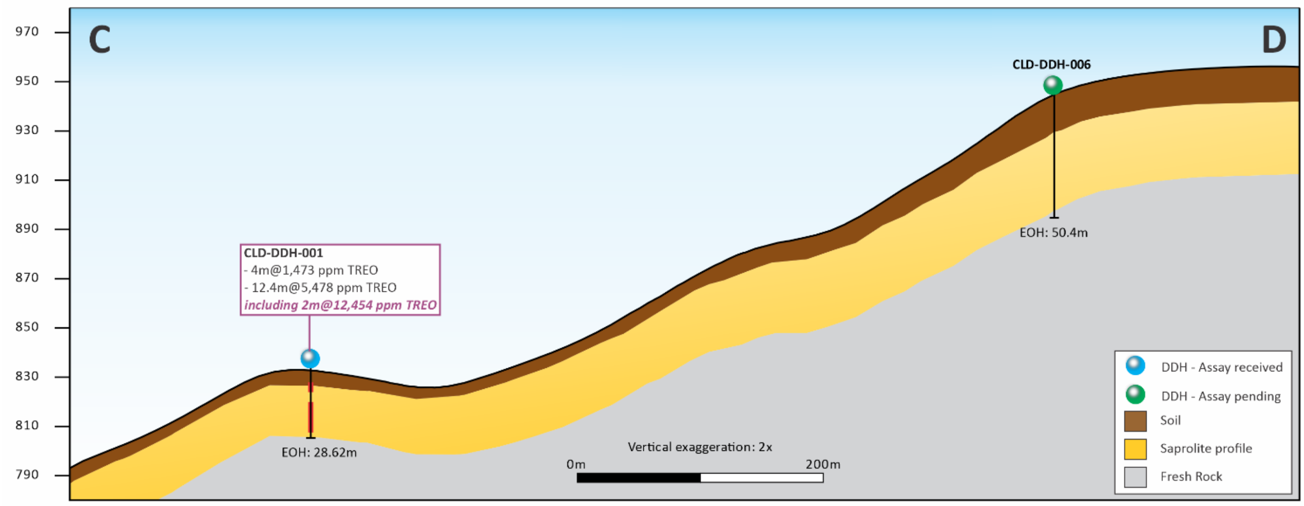

Figure 3 – Cross section of Diamond Drill CLD-DDH-001 and CLD-DDH-006 drill location (assay pending)

Recent assay results from auger and diamond drilling have yielded encouraging Total Rare Earth Oxide (**TREO**) results, as detailed in Table 1. Key intercepts demonstrate significant TREO concentrations, confirming the potential for high-value magnetic rare earth neodymium and praseodymium (**NdPr**) within the targeted zones.

Hole ID	From	To	Length (M)	TREO ppm	MREO ppm	NdPr ppm	DyTb ppm
CLD-DDH-001	14	26.4	12.4	5,478	1,188	1,142	46
including	***18***	***20***	***2***	***12,454***	***2,795***	***2,678***	***117***
CLD-AUG-055	3	13	10	1,566	298	284	14
ending with	***11***	***13***	***2***	***2,757***	***598***	***569***	***29***
CLD-AUG-056	0	12	12	1,932	275	260	15
including	***9***	***10***	***1***	***3,020***	***289***	***271***	***17***
ending with	***11***	***12***	***1***	***4,033***	***1,201***	***1,141***	***60***
CLD-AUG-057	11	13	2	1,852	172	162	10
ending with	*12*	*13*	*1*	*2,051*	*239*	*225*	*14*

Table 1: Summary of DDH and auger drill results (cutoff 1,000ppm TREO)

It is also important to note that all auger holes ended mineralised, with increasing TREO grades (refer Table 1 above). This demonstrates that high-grade mineralisation should continue at depth.

Overview of the Caladão REE Project

The Caladão Project is located in the Lithium Valley, northeast of the State of Minas Gerais. The region spans ~150,000km and is known for major pegmatite-hosted lithium discoveries including Sigma Lithium Corporation's Grota do Cirilo lithium mine (NASDAQ:SGML) and Latin Resources Limited's Colina deposit (ASX:LRS). Importantly, this region is well serviced by infrastructure, hydroelectric power, water and major ports. Axel is the first company to recognise the potential for REE mineralisation in this region.

On 31 July 2024, the Company announced a 20,000m drill campaign with Phase 1 (2,600m) drilling underway. Each phase of drilling is designed to build towards establishing a maiden JORC-compliant mineral resource estimate. This is one of three programs currently in progress under the Company's comprehensive Brazilian project portfolio (Caladão REE, Caldas REE and Itiquira Niobium/REE).

Further results are expected over the coming months.

This announcement was authorised by the Board of Directors.

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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 including the matters in the report based on their information in the form and context in which it appears.

About Axel REE

Axel REE is an exploration company primarily focused on exploring the Caladão, Caldas, Itiquira, and Corrente rare earth elements (REE) projects in Brazil. The project portfolio covers over 1,105km^2 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. These minerals are crucial for advancing modern technology and transitioning towards a more sustainable global economy. Axel's strategy includes extensive exploration plans to fully realize the potential of its current projects and seek new opportunities.

Table 2 - Assay Results

Hole ID	From	To	Length (M)	TREO ppm	MREO ppm	MREO %	NdPr ppm	DyTb ppm
CLD-DDH-001	0	1.2		328	33	10	30	3
CLD-DDH-001	1.2	2		333	23	7	21	3
CLD-DDH-001	2	3		429	18	4	15	3
CLD-DDH-001	3	4		496	13	3	11	3
CLD-DDH-001	4	5		739	9	1	7	2
CLD-DDH-001	5	6		938	9	1	7	2
CLD-DDH-001	6	7	4m @1,473ppm TREO	1,313	11	1	9	2
CLD-DDH-001	7	8		1,512	12	1	10	2
CLD-DDH-001	8	9		1,310	12	1	9	2
CLD-DDH-001	9	10		1,756	13	1	11	2
CLD-DDH-001	10	11		731	36	5	33	2
CLD-DDH-001	11	12		867	53	6	49	4
CLD-DDH-001	12	13		849	66	8	63	4
CLD-DDH-001	13	14		894	63	7	60	3
CLD-DDH-001	14	15	12.4m @ 5,478ppm TREO *Including 2m @ 12,454ppm TREO*	1,983	141	7	136	5
CLD-DDH-001	15	16		2,354	152	6	147	5
CLD-DDH-001	16	17		1,666	268	16	259	9
CLD-DDH-001	17	18		7,865	991	13	962	29
CLD-DDH-001	18	19		11,978	2,755	23	2,644	111
CLD-DDH-001	19	20		12,931	2,835	22	2,712	124
CLD-DDH-001	20	21		6,395	990	15	946	44
CLD-DDH-001	21	22		4,188	776	19	743	33
CLD-DDH-001	22	23		3,592	907	25	872	35
CLD-DDH-001	23	24		4,212	1,422	34	1,377	45
CLD-DDH-001	24	25		4,918	1,365	28	1,310	54
CLD-DDH-001	25	26		4,148	1,559	38	1,497	62
CLD-DDH-001	26	26.4		4,247	1,422	33	1,377	45
CLD-AUG-054	0	1		488	48	10	45	3
CLD-AUG-054	1	2		466	45	10	42	3
CLD-AUG-054	2	3		436	39	9	36	3
CLD-AUG-054	3	4		425	42	10	39	3
CLD-AUG-054	4	5		399	36	9	33	3
CLD-AUG-054	5	6		388	37	10	34	3
CLD-AUG-054	6	7		400	42	11	39	3
CLD-AUG-054	7	8		414	35	8	32	3
CLD-AUG-055	0	1		776	73	9	69	4
CLD-AUG-055	1	2		787	96	12	92	5
CLD-AUG-055	2	3		936	96	10	92	4
CLD-AUG-055	3	4	10m @1,556ppm TREO ending at 2m @ 2,757ppm TREO	1,106	109	10	104	5
CLD-AUG-055	4	5		1,059	153	14	147	6
CLD-AUG-055	5	6		1,266	212	17	204	8
CLD-AUG-055	6	7		1,801	377	21	364	13
CLD-AUG-055	7	8		1,353	258	19	248	10

Hole ID	From	To	Length (M)	TREO ppm	MREO ppm	MREO %	NdPr ppm	DyTb ppm
CLD-AUG-055	8	9		1,156	211	18	201	10
CLD-AUG-055	9	10		1,258	240	19	225	14
CLD-AUG-055	10	11		1,143	229	20	214	15
CLD-AUG-055	11	12		2,739	611	22	580	31
CLD-AUG-055	12	13		2,775	584	21	557	27
CLD-AUG-056	0	1	12m @1,932ppm TREO including 3m@3,001 ppm TREO	1,270	135	11	126	8
CLD-AUG-056	1	2		1,391	157	11	148	9
CLD-AUG-056	2	3		1,434	125	9	117	8
CLD-AUG-056	3	4		1,791	147	8	138	9
CLD-AUG-056	4	5		1,749	147	8	138	9
CLD-AUG-056	5	6		1,649	154	9	145	9
CLD-AUG-056	6	7		1,700	152	9	144	8
CLD-AUG-056	7	8		1,430	129	9	121	7
CLD-AUG-056	8	9		1,769	213	12	204	10
CLD-AUG-056	9	10		3,020	289	10	271	17
CLD-AUG-056	10	11		1,952	448	23	421	27
CLD-AUG-056	11	12		4,033	1,201	30	1,141	60
CLD-AUG-057	0	1		469	73	16	69	4
CLD-AUG-057	1	2		499	74	15	70	5
CLD-AUG-057	2	3		593	93	16	88	5
CLD-AUG-057	3	4		531	84	16	78	5
CLD-AUG-057	4	5		465	63	14	60	4
CLD-AUG-057	5	6		392	41	10	38	3
CLD-AUG-057	6	7		448	31	7	28	3
CLD-AUG-057	7	8		463	30	6	27	3
CLD-AUG-057	8	9		621	41	7	38	3
CLD-AUG-057	9	10		952	70	7	66	5
CLD-AUG-057	10	11		934	42	4	38	4
CLD-AUG-057	11	12	2m @1,852ppm TREO	1,654	104	6	98	6
CLD-AUG-057	12	13		2,051	239	12	225	14

Table 3 – Caladão Auger and Diamond drill-hole locations.

Hole ID	Hole Type	Easting	Northing	RL (M)	EOH	Tenement	Target
CLD-AUG-054	Auger	232,384.154	8,113,380.026	828.69	8.00	831.458/2020	Area “A”
CLD-AUG-055	Auger	232,496.914	8,112,986.161	784.49	13.00	831.458/2020	Area “A”
CLD-AUG-056	Auger	232,857.027	8,112,946.279	849.31	12.00	831.458/2020	Area “A”
CLD-AUG-057	Auger	233,272.329	8,112,963.239	841.97	13.00	831.458/2020	Area “A”
CLD-DDH-001	Diamond Drill	235,816.00	8,112,967.000	839.07	28.62	831.458/2020	Area “A”

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done, this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Diamond drill holes • The drilling utilizes a conventional wireline diamond drill rig Mach 320-03, with HQ diameter. • The core is collected in core trays with depth markers at the end of each drill run (blocks). • In the saprolite zone, the core is halved with a metal spatula and bagged in plastic bags; the fresh rock was halved by a powered saw and bagged Auger holes • At each drill site, the surface was thoroughly cleared. Soil and saprolite samples were gathered every 1 meter with precision, carefully logged, and photographed. Each sample was then sealed in plastic bags and clearly labelled for identification.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Diamond drilling • The drilling technique is a diamond drill rig Mach 320-03 with HQ diameter using the wireline technique. • Each drill site was cleaned and leveled with a backhoe loader. • All holes are vertical. • Drilling is stopped once the intersection with unweathered basement intrusives is confirmed = +3 to 5m of fresh rock. Auger drilling • A motorized 2.5HP soil auger with a 4" drill bit, reaching depths of up to 20 meters, was used to drill. The drilling is an open hole, meaning there is a chance of potential contamination from the surface and other parts of the auger hole. Holes are vertical and not oriented.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Diamond drilling • Core recoveries of this first diamond drill hole reported were measured after each drill run, comparing the length of core recovered vs. drill depth. The recovery in the saprolite profile is 89%. Auger drilling • No recoveries are recorded. • No relationship is believed to exist between recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	The geology was described in a core facility by a geologist - logging focused on the soil (humic) horizon, saprolite, and fresh rock boundaries. The depth of geological boundaries is honored and described with downhole depth, not meter by meter. Other important parameters for collecting data include grain size, texture, and color, which can help identify the parent rock before weathering. All drilled holes have a digital photographic record. The log is stored in a Microsoft Excel template with inbuilt validation tables and a pick list to avoid data entry errors.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample preparation (drying, crushing, splitting and pulverising) is carried out by SGS laboratory, in Vespasiano MG, using industry-standard protocols: • dried at 60°C • the fresh rock is 75% crushed to sub 3mm • the saprolite is just disaggregated with hammers • Riffle split sub-sample • 250 g pulverized to 95% passing 150 mesh, monitored by sieving. • Aliquot selection from pulp packet
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures*	1 blank sample, 1 certified reference material (standard) sample and 1 field duplicate sample were inserted by company into each 25 sample sequence. Standard laboratory QA/QC procedures were followed, including inclusion of standard, duplicate and blank samples. The assay technique used was Sodium Peroxide Fusion ICP OES / ICP MS (SGS code ICM90A). Elements analyzed at ppm levels:

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established.</td><td>
<table>
<tr><td>Ce 0.1 – 10,000</td><td>Dy 0.05 – 1,000</td></tr>
<tr><td>Er 0.05 – 1,000</td><td>Eu 0.05 – 1,000</td></tr>
<tr><td>Gd 0.05 – 1,000</td><td>Ho 0.05 – 1,000</td></tr>
<tr><td>La 0.1 – 10,000</td><td>Li 10 – 15,000</td></tr>
<tr><td>Nd 0.1 – 10,000</td><td>Pr 0.05 – 1,000</td></tr>
<tr><td>Sm 0.1 – 1,000</td><td>Tb 0.05 – 1,000</td></tr>
<tr><td>Th 0.1 – 1,000</td><td>Tm 0.05 – 1,000</td></tr>
<tr><td>U 0.05 – 10,000</td><td>Y 0.05 – 1,000</td></tr>
<tr><td>Yb 0,1 – 1,000</td><td></td></tr>
</table>
The sample preparation and assay techniques are industry standard and provide total analysis.
The SGS laboratory used for assays is ISO 9001, 14001, and 17025 accredited.
</td></tr>
<tr><td>Verification of sampling and assaying</td><td>
The verification of significant intersections by either independent or alternative company personnel.
The use of twinned holes.
Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.
Discuss any adjustment to assay data.
</td><td>
Apart from the routine QA/QC procedures by the Company and the laboratory, there was no other independent or alternative verification of sampling and assaying procedures.
No twin holes were used.
Primary data collection follows a structured protocol, with standardized data entry procedures ensuring any issues are identified and rectified. All data is stored in physical forms, such as hard copies and electronically, in secure databases with regular backups.
The data was adjusted, transforming the element values into the oxide values. The conversion factors used are included in the table below.
(Source:https://www.jcu.edu.au/advanced-analyticalcentre/resources/element-to-stoichiometric-oxide-conversionfactors).
<table>
<tr><th>Element ppm</th><th>Conversion Factor</th><th>Oxide Form</th></tr>
<tr><td>Ce</td><td>1.2284</td><td>CeO2</td></tr>
<tr><td>Dy</td><td>1.1477</td><td>Dy2O3</td></tr>
<tr><td>Er</td><td>1.1435</td><td>Er2O3</td></tr>
<tr><td>Eu</td><td>1.1579</td><td>Eu2O3</td></tr>
<tr><td>Gd</td><td>1.1526</td><td>Gd2O3</td></tr>
<tr><td>Ho</td><td>1.1455</td><td>Ho2O3</td></tr>
<tr><td>La</td><td>1.1728</td><td>La2O3</td></tr>
<tr><td>Lu</td><td>1.1371</td><td>Lu2O3</td></tr>
<tr><td>Nd</td><td>1.1664</td><td>Nd2O3</td></tr>
<tr><td>Pr</td><td>1.2082</td><td>Pr6O11</td></tr>
<tr><td>Sm</td><td>1.1596</td><td>Sm2O3</td></tr>
<tr><td>Tb</td><td>1.1762</td><td>Tb4O7</td></tr>
<tr><td>Tm</td><td>1.1421</td><td>Tm2O3</td></tr>
<tr><td>Y</td><td>1.2699</td><td>Y2O3</td></tr>
<tr><td>Yb</td><td>1.1387</td><td>Yb2O3</td></tr>
</table>
Rare earth oxide is the industry accepted form for reporting rare earths. The following calculations are
</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		used for compiling REO into their reporting and evaluation groups: TREO (Total Rare Earth Oxide) = La2O3 + CeO2 + Pr6O11 + Nd2O3 + Sm2O3 + Eu2O3 + Gd2O3 + Tb4O7 + Dy2O3 + Ho2O3 + Er2O3 + Tm2O3 + Yb2O3 + Y2O3 + Lu2O3 LREO (Light Rare Earth Oxide) = La2O3 + CeO2 + Pr6O11 + Nd2O3 HREO (Heavy Rare Earth Oxide) = Sm2O3 + Eu2O3 + Gd2O3 + Tb4O7 + Dy2O3 + Ho2O3 + Er2O3 + Tm2O3 + Yb2O3 + Y2O3 + Lu2O3 CREO (Critical Rare Earth Oxide) = Nd2O3 + Eu2O3 + Tb4O7 + Dy2O3 + Y2O3 (From U.S. Department of Energy, Critical Material Strategy, December 2011) MREO (Magnetic Rare Earth Oxide) = Nd2O3 + Pr6O11 + Tb4O7 + Dy2O3 NdPr = Nd2O3 + Pr6O11 DyTb = Dy2O3 + Tb4O7 In elemental from the classifications are: TREE: La+Ce+Pr+Nd+Sm+Eu+Gd+Tb+Dy+Ho+Er+Tm+Tb+Lu+Y HREE: Sm+Eu+Gd+Tb+Dy+Ho+Er+Tm+Tb+Lu+Y CREE: Nd+Eu+Tb+Dy+Y LREE: La+Ce+Pr+Nd
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings, and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	The UTM SIRGAS2000 zone 24S grid datum is used for current reporting. The auger and DDH collar coordinates for the holes reported are currently controlled by hand-held GPS.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	The drill hole collars are displayed in the body of the release (Refer to Table 3). No resources are reported.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key*	All drill holes were drilled vertically, which is deemed the most suitable orientation for this type of supergene deposit. This mineralisation typically has a broad horizontal extent relative to the thickness of the mineralised body, exhibiting horizontal continuity with minimal variation in thickness.

Criteria	JORC Code explanation	Commentary
geological structure	*mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Given the extensive lateral spread and uniform thickness of the mineralisation, vertical drilling is optimal for achieving unbiased sampling. This orientation allows for consistent intersections of the horizontal mineralised zones, accurately depicting the geological framework and mineralisation. No evidence suggests the vertical orientation has introduced any sampling bias concerning the key mineralised structures. The alignment of the drilling with the known geology ensures accurate and representative sampling. Any potential bias from the drilling orientation is considered negligible.
Sample security	• *The measures taken to ensure sample security.*	All samples were collected by field personnel and securely sealed in labeled plastic bags to ensure proper identification and prevent contamination. All samples for submission to the lab are packed in plastic bags (in batches) and sent to the lab, where they are processed as reported above. A competent, independent contractor transported the materials from the Caladao Project to the SGS laboratory in Vespasiano, MG.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No independent audit has been completed.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership, including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	All samples were sourced from tenements fully owned by Axel REE Ltda, a 100%-owned subsidiary of Axel REE Limited.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration* • *by other parties.*	In the Caladão Project, we are unaware of previous professional mineral exploration programs in the Region of Padre Paraiso MG. However, there is a history of previous artisanal gemstone mining in that region, particularly aquamarine.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The Caladao Granite in the Region of Padre Paraiso is in the so-called Lithium Valley in the northeast portion of the Minas Gerais State. Axel was the first exploration company to recognize the REE potential of these Neoproteroic granites on the eastern flank of the Archean Sao Francisco Craton. These granites are sub-alkaline to alkaline and are considered late to

		post-tectonic relative to the host Salinas Formation. Weathering over these granites develops thick profiles that often contain abundant kaolinites.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results, including a tabulation of the following information for all Material drill holes:*
	  ○ *Easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *Dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		Reported in the body of the announcement.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Data acquisition for this project encompasses results from auger and diamond drilling. The entire dataset was compiled with no selective exclusion of information. • Simple averages were used for 1m sections of core and sub-1m sections of core, as approprirate, for any core samples submitted for assay • Where aggregated intercepts are presented in the report, they may include shorter or longer lengths of high-grade mineralization. These shorter lengths are also tabulated • Mineralised intercepts reported are calculated using a 1,000ppm TREO cutoff, with no dilution • No metal equivalnets are reported
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this*	All holes are vertical, and mineralisation is developed in a flat-lying clay horizon developed by weathering of the Caladao Garnite and the Padre Paraiso Charnockite. The supergene profile in the area has great lateral continuity

	effect (e.g. 'down hole length, true width not known').	
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Reported in the body of the text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The data presented in this report aims to provide a transparent and comprehensive overview of the exploration activities and findings. All relevant information, including sampling techniques, geological context, prior exploration work, and assay results, has been thoroughly documented. Diagrams, such as geological maps, vertical crosssections, and tables, are intended to enhance understanding of the data. This report accurately reflects the exploration activities and findings without bias or omission.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	There is no additional substantive exploration data to report currently.
Further work	• *The nature and scale of planned further work (eg, tests for lateral extensions or depth extensions, or large-scale step-out drilling).*	A significant number of samples are currently in the lab, and results are expected to return in November. The drilling program at Caladão will continue until year-end.