



Despatch of Prospectus and Letter to Ineligible Shareholders

Axel REE Limited (**ASX: AXL**, “**Axel**” or “**the Company**”) advises that it has today despatched the prospectus (**Prospectus**) in respect of the pro-rata non-renounceable entitlement issue to eligible shareholders of the Company (defined below) of one (1) option (**New Option**) for every two (2) Shares held at the Record Date (defined below), issued for nil consideration (**Offer**).

Shareholders who are eligible to participate in the Offer (**Eligible Shareholders**) are those persons who:

- (a) as at 7:00pm (AEDT) on 31 January 2025 (**Record Date**), are registered as a holder of fully paid ordinary shares in the Company; and
- (b) have an address on the Company’s register in Australia or New Zealand; or

those persons who the Company is, otherwise, satisfied, in its sole discretion, that it would not be unlawful to offer New Options to, either unconditionally or after compliance with such conditions as the Company, in its sole and absolute discretion, has accepted, under all applicable securities laws.

A letter to ineligible shareholders notifying them of the Offer and their ineligibility to participate (**Ineligible Shareholder Letter**) has also been despatched today. A copy of the Ineligible Shareholder Letter is enclosed. An electronic version of the Prospectus can be viewed online on the Company’s website at www.axelreelimited.com.au.

Offer

Eligible Shareholders are expected to receive their entitlements on or about 7 February 2025.

Eligible Shareholders will receive New Options for nil consideration, which are exercisable at \$0.20 and expire at 5:00pm (AEDT) on 7 February 2028.

The Offer is non-renounceable, meaning that Eligible Shareholders will not be able to transfer their entitlements pursuant to the Offer.

Full details of the Offer, including the timetable, are set out in the Prospectus. Eligible Shareholders should read the Prospectus in its entirety and consult with their stockbroker, accountant or other professional adviser before making any decision as to whether to exercise the New Options.

Enquiries

Any questions concerning the Offer should be directed to the Company’s share registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (Overseas).

This announcement was authorised by the Board of Directors.

Important Notices

This announcement is not financial product or investment advice, a recommendation to acquire New Options or accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek appropriate legal and taxation advice.

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

About Axel REE

Axel REE is a critical minerals 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. These minerals are crucial for the advancement of modern technology and the transition 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.

5 February 2025

Dear Shareholder,

Axel REE Limited Loyalty Options Offer – Notification to Ineligible Shareholders

On 7 October 2024, Axel REE Limited (**ASX: AXL, Axel or the Company**) announced a pro-rata non-renounceable bonus issue of one (1) free New Option for every two (2) Shares held by Eligible Shareholders (as defined below) recorded on the Company's share register at 7:00pm (AEDT) on Friday, 31 January 2025 (**Record Date**), for nil upfront consideration (**Offer**).

Each New Option allows an Eligible Shareholder to acquire one (1) ordinary share of the Company at an exercise price of \$0.20 per New Option. Shareholders who are eligible to participate in the Offer (**Eligible Shareholders**) are shareholders of the Company who as at 7:00pm (AEDT) on the Record Date have a registered address in Australia or New Zealand.

You are receiving this letter as, according to our records, you did not satisfy the eligibility criteria to participate in the Bonus Issue.

Why am I not eligible to participate in the Bonus Issue?

The restrictions upon eligibility to participate in the Bonus Issue arise because of the legal and regulatory requirements in certain countries, the relatively small number of Shareholders or shares that are held by Shareholders in certain countries, the relatively low value of the New Options to which Shareholders would otherwise be entitled in certain countries and the potential cost of complying with regulatory requirements in certain countries.

The Company has determined, pursuant to ASX Listing Rule 7.7.1(a), that it would be unreasonable to issue New Options under the Offer to Shareholders in countries other than Australia and New Zealand, due to the legal limitations and potential cost of complying with the regulatory requirements in those countries.

In compliance with ASX Listing Rule 7.7.1(b), the Company wishes to advise that it will therefore not be extending the Offer to you, and you will not be able to receive any New Options under the Offer. Accordingly, you will not be sent the documents relating to the Bonus Issue.

No action required

This notice is to inform you of the Offer, it is not an offer to issue New Options to you, nor an invitation for you to apply for New Options. You are not required to do anything in response to this letter.

If you have any queries concerning the Offer, please contact the Company Secretary, Mr Patrick Volpe, on +61 3 9249 9589 or companysecretary@axelreelimited.com.au.

Yours faithfully

Paul Dickson
Chairman
Axel REE Limited