



MARCH 2025 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS:

Axel REE is fully funded to accelerate the Caladão REE-Gallium Project to Mineral Resource Estimate with \$9.6M cash at end of the quarter

Caladão REE-Gallium Project

- Mineral Resource Estimate (SRK engaged) and metallurgical testing (ANSTO engaged) commenced
- Exceptional gallium intercepts from surface (using a high grade cutoff of 50g/t) continued:

CLD-DDH-024 **20m @ 79g/t Ga₂O₃** from surface

CLD-DDH-019 **30.33m @ 62/t Ga₂O₃** from surface

CLD-DDH-029 **17m @ 85g/t Ga₂O₃** from surface

including **6m @ 95g/t Ga₂O₃** from 5m

with **1m @ 102g/t Ga₂O₃** from 8m

CLD-DDH-032 **4m @ 79g/t Ga₂O₃** from 16m

including **1m @ 105g/t Ga₂O₃** from 19m

- High grade REE assays also continued over 60km² mineralised area (1,000ppm cutoff)

CLD-DDH-0036 **49.92m @ 5,909ppm TREO (19% MREO)** from 27m

including **8m @ 13,604ppm TREO (31% MREO)** from 55m

with **1m @ 22,115ppm TREO (30% MREO)** from 60m

CLD-DDH-035: **38.20m @ 3,499ppm TREO (20% MREO)** from 6m

including **3m @ 13,496ppm TREO (43% MREO)** from 37m

Caldas REE Project

- Exceptionally thick, consistent high grade intercepts at surface from shallow auger holes including:

CAL-AUG-003 **20m @ 3,082ppm TREO (26% MREO)** from 8m

CAL-AUG-009: **13m @ 5,735ppm TREO (25% MREO)** from surface

including **5m @ 10,526ppm TREO (30% MREO)** from 8m

with **1m @ 19,493ppm TREO (33% MREO)** from 11m

CAL-AUG-014: **14m @ 3,051ppm TREO (25% MREO)** from surface

CAL-AUG-019: **10m @ 4,874ppm TREO (34% MREO)** from surface

Strategic MoUs Signed to Fast-Track REE-Gallium Project Development

- MoU signed with Federation of Industries Minas Gerais, owner and operator of the LabFab ITR, the first rare earth magnet research and production facility in South America

- Second MoU signed with State Economic Development Department and Invest Minas aimed to support the Project development and fast track licensing and approvals

Corporate

- Axel is fully funded to accelerate Caladão to deliver a Mineral Resource Estimate (MRE) with **\$9.6M cash** at end of the quarter
- 79,400,590 Loyalty Bonus Options were issued under a pro-rata issue of one Option for every two shares held by eligible shareholders at 31 January 2025, exercisable at \$0.20, expiring on 7 February 2028, to acknowledge shareholder support since IPO
- 200,000 restricted shares were released from escrow during the quarter

Axel REE Limited (**ASX: AXL**, “**Axel**” or “**the Company**”) is pleased to provide its Quarterly Activities Report for the three month period ending 31 March 2025 . During the quarter, Axel continued to advance its high grade REE-Gallium discovery at its flagship Caladão Project located in the Lithium Valley of Minas Gerais, Brazil. It also continued to encounter high grade REE intercepts at the Caldas Project in the world class Poços De Caldas Alkaline Complex, Minas Gerais.

Managing Director, Dr Fernando Tallarico, commented:

“We are extremely pleased to make one of very few high grade gallium discoveries as a co-product to our REE discovery at Caladão, with exceptionally high grade at-surface gallium intercepts not seen by other deposits in Brazil or globally.

Axel is now positioned as an emerging player with a unique critical minerals asset that faces significant supply chain constraints following recent export bans from China.

We have taken the important strategic manoeuvre by including gallium in our Mineral Resource Estimate modelling which is progressing with SRK and expected to be completed in the June quarter.”

Exploration Activities for the Quarter

Caladão REE-Gallium Project

During the quarter, the Company reported results from its fourth and fifth batches of diamond and auger drill assays which confirmed a 68% increase in REE-Gallium mineralised drilled area at the Caladão Project, with mineralisation extending to Area B (25km²) in addition to Area A (35km²), totalling 60km². The Caladão Project covers a total of 400km² with the remaining areas yet to be tested for mineralisation.

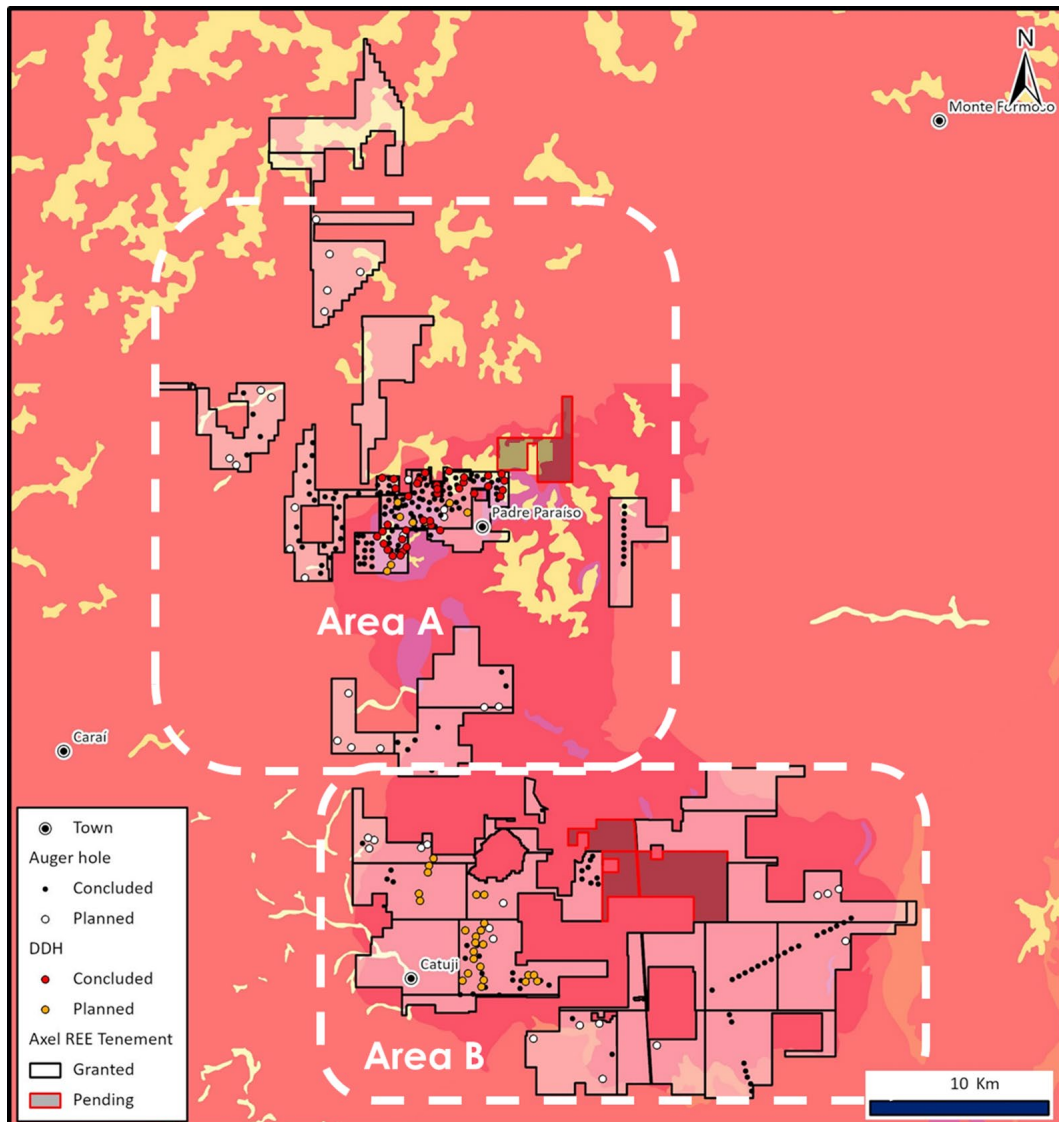


Figure 1: Caladão Project (400km²) with mineralised drilled areas at Area A (35km²) and Area B (25km²). Remaining area yet to be drill tested for mineralisation.

Significant gallium concentrations were identified and is typically occurring in the uppermost portions of the weathering profile from surface as shown in Figure 2 and Figure 3. This is significant, as gallium mineralisation within the upper, oxidised layer presents the opportunity to transform what was previously considered REE overburden into a potentially economic, near-surface source of gallium by-product.

The consistency of high grade REE with Gallium mineralisation at surface has allowed Axel to progress Caladão to a maiden JORC-compliant REE *and Gallium* Resource definition in 2025.

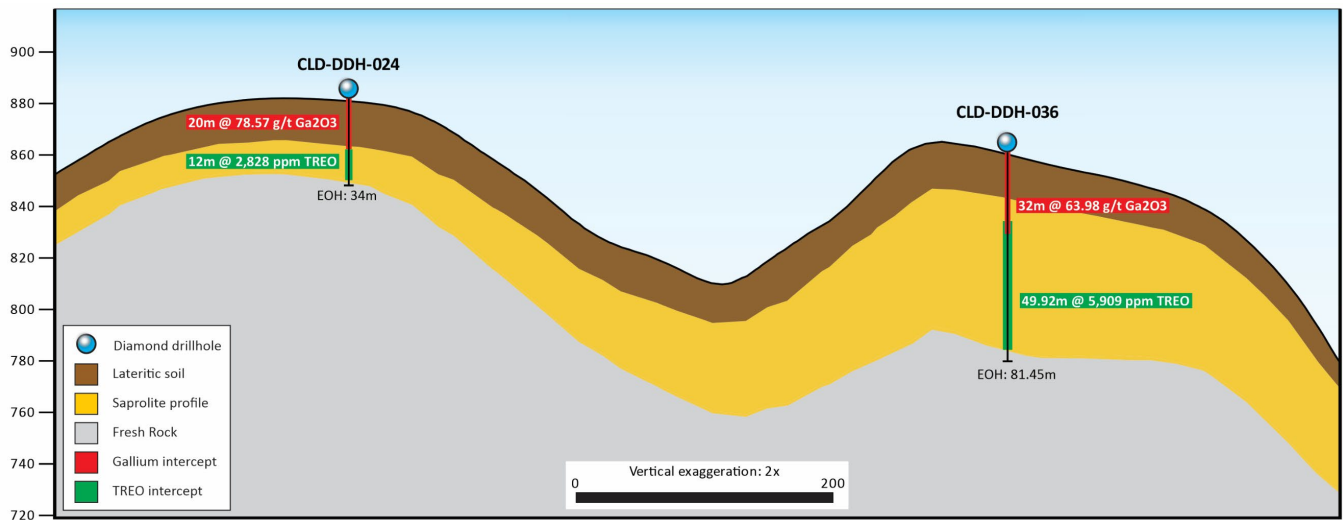


Figure 2: CLD- Interpreted schematic profile of surface gallium mineralisation in lateritic soil transitioning to REE mineralisation at depth.

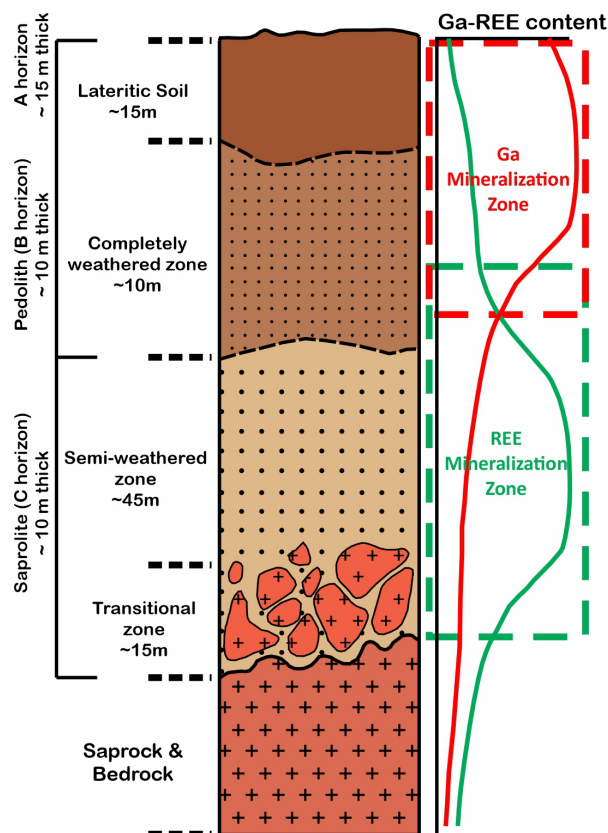


Figure 3: Interpreted schematic profile of surface gallium mineralisation in lateritic soil transitioning to REE mineralisation at depth.

Table 1 - Summary of significant thick Gallium intercepts from diamond (DDH) and auger drilling (AUG) samples (50g/t Ga₂O₃ and min. 5m composite length cutoff). Refer Company announcements 20 January 2025 and 19 March 2025.

| HoleID | From (m) | To (m) | Intercept (m) | Ga ₂ O ₃ (g/t) |
|------------------|-------------|-----------|------------------|---|
| CLD-DDH-024 | 0 | 20 | 20 | 79 |
| CLD-DDH-019 | 0 | 30.33 | 30.33 | 62 |
| CLD-DDH-029 | 0 | 17 | 17 | 85 |
| <i>including</i> | 5 | 11 | 6 | 95 |
| <i>with</i> | 8 | 9 | 1 | 102 |
| CLD-DDH-032 | 16 | 20 | 4 | 79 |
| <i>including</i> | 19 | 20 | 1 | 105 |
| CLD-AUG-166 | 0 | 5 | 5 | 91 |
| CLD-DDH-024 | 0 | 20 | 20 | 79 |
| CLD-AUG-160 | 0 | 12 | 12 | 78 |
| CLD-AUG-158 | 0 | 15 | 15 | 78 |
| CLD-AUG-134 | 0 | 7 | 7 | 75 |
| CLD-AUG-145 | 0 | 16 | 16 | 75 |
| CLD-AUG-142 | 0 | 14 | 14 | 75 |
| CLD-AUG-136 | 0 | 13 | 13 | 74 |
| CLD-AUG-166 | 7 | 15 | 8 | 74 |
| CLD-AUG-137 | 0 | 15 | 15 | 74 |
| CLD-DDH-023 | 0 | 7 | 7 | 74 |
| CLD-DDH-015 | 0 | 6 | 6 | 73 |
| CLD-AUG-157 | 0 | 15 | 15 | 73 |
| CLD-AUG-138 | 0 | 15 | 15 | 71 |
| CLD-DDH-013 | 0 | 19 | 19 | 71 |
| CLD-AUG-143 | 0 | 16 | 16 | 70 |
| CLD-DDH-023 | 9 | 26 | 17 | 70 |
| CLD-AUG-166 | 7 | 15 | 8 | 74 |
| CLD-AUG-153 | 0 | 15 | 15 | 74 |
| CLD-DDH-018 | 0 | 7 | 7 | 74 |
| CLD-AUG-154 | 0 | 6 | 6 | 73 |

Mineral Resource Estimate and Metallurgical Testing Commenced

In February the Company advised that it had engaged SRK Consulting (**SRK**) to commence the Company's Maiden JORC 2012 Inferred Mineral Resource Estimate for both REE and gallium at its flagship Caladão Project.

The MRE at Caladão will initially cover 35km² high grade mineralised drilled section of Area A and will follow on with the 25km² mineralised zone at Area B. The MRE will support optimal high grade step out and infill drilling zones for further resource confidence and scale expansion.

The Australian Nuclear Science and Technology Organisation (**ANSTO**) will also commence metallurgical testing for both REE and gallium, aimed at optimising leach recoveries, impurity removal and precipitation testing.

ANSTO will conduct comprehensive testing aimed at evaluating the extraction potential of ionically adsorbed REEs and gallium from the Company's samples.

Caldas REE Project

The Company received a second batch of assays from the ongoing auger drill program at its 100% owned Caldas Project which has delivered exceptionally thick, consistent high grade intercepts at surface from shallow auger holes.

At Caldas, the REE mineralisation continues to be consistent, high grade and demonstrates excellent high-value magnetic rare earth proportions over 40%. All of the auger holes have ended in increasingly high grade mineralisation, highlighting the exploration upside for Caldas at depth.

The assays to date at Caldas have returned excellent results with mineralisation averaging 3,229ppm TREO and 100% of assays returning above the cutoff 1,000ppm TREO (1m interval assays). The intercepts show that the clay-hosted mineralisation at Caldas is thick over 20 meters, high grade and open at depth. The deepest hole drilled to date only reached 23 meters, given auger drilling typically has a limited depth of penetration.

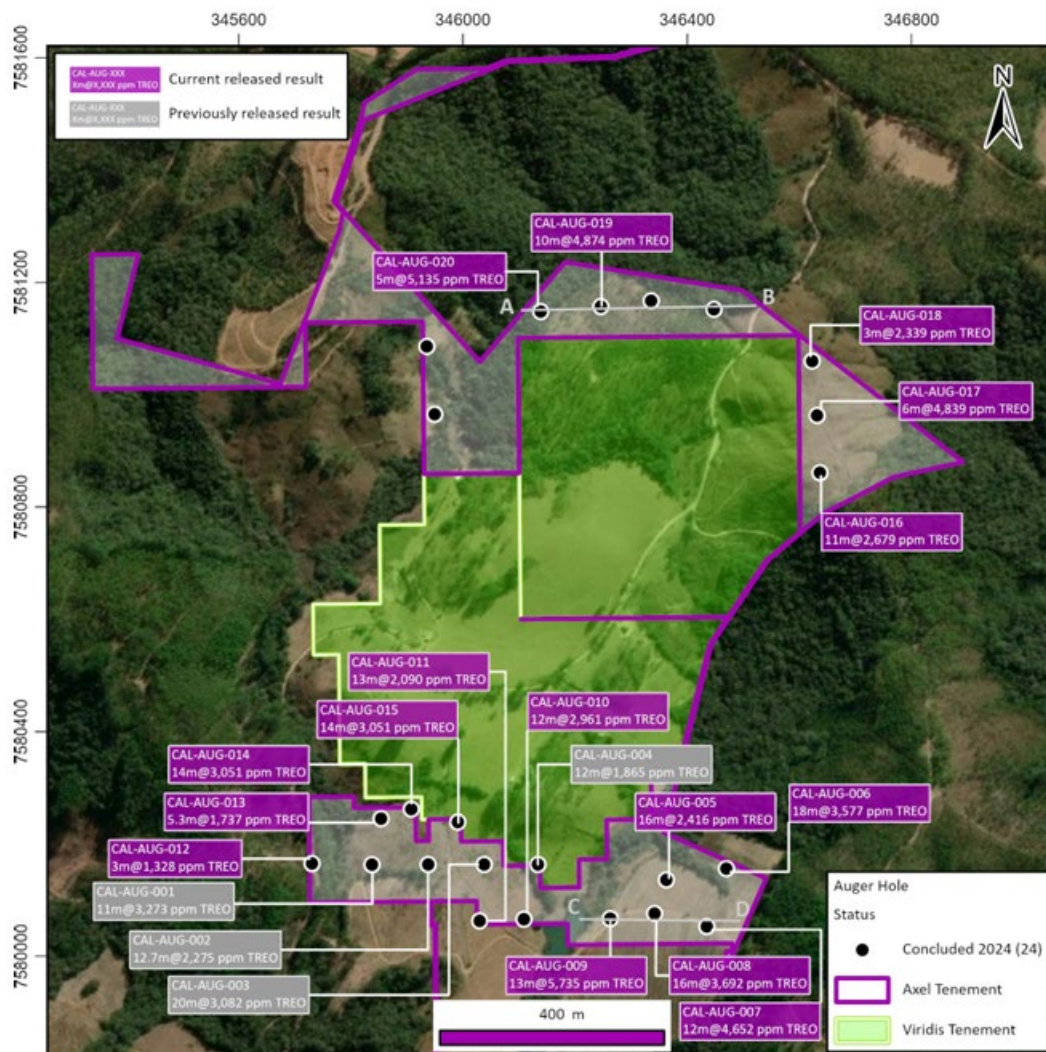


Figure 4: Plan view of consistently high grade auger drill intercepts at one of Axel's prospects at Caldas

Strategic MoUs Signed to Fast-Track Project Development

The Company entered into strategic collaboration agreements with the Government of the State of Minas Gerais, aiming specifically to support and advance both its Caladão and Caldas Projects located in the State.

The first Memorandum of Understanding (**MoU**) is with the Federation of Industries of Minas Gerais (**FIEMG**) to collaborate on scientific initiatives with the rare earth magnet facility.

FIEMG recently acquired LabFab ITR (**LabFab**), South America's first facility dedicated to the research and production of permanent magnets. LabFab focuses on advancing permanent magnet technologies and supporting the industry's efforts to scale up manufacturing to meet the rising demand from sectors such as automotive, electric vehicle motors, and wind energy.

This MoU allows Axel access to research programs and potentially future testing of REE magnet production with material supplied by the Company.

A second MoU was signed with the State Secretariat for Economic Development (**SED**) and its investment agency, **Invest Minas**. This agreement provides Axel support from Invest Minas during the exploration, development and operational stages of the Caladão and Caldas Projects and will assist the Company with access to government agencies and fast-tracking of permit approval.

The MoU with Invest Minas is a selective initiative from the State to form strategic partnerships with private companies that will sustainably strengthen the local economy.



Figure 5: State Secretary for Economic Development Mila Corrêa da Costa and Axel REE Managing Director Dr Fernando Tallarico (centre) at the MoU signing ceremony.

Corporate

Cash Position

The Company remains fully funded to execute its exploration strategy with \$9.6M in cash on hand at 31 March 2025.

Bonus Options Offer

On 7 February 2025 the Company issued 79,400,590 AXLO listed options pursuant to a non-renounceable pro-rata bonus issue of options on the basis of one (1) option (**Loyalty Option**) for every two (2) shares held by eligible shareholders at 5pm (AEDT) on 31 January 2025 (**Record Date**) for nil consideration per Loyalty Option (**Loyalty Option Offer**). A Prospectus was lodged with ASIC and ASX on 24 January 2025.

Escrow Shares

On 24 March 2025 200,000 restricted shares were released from escrow.

ASX – Additional Information

5.3.1.

For the purpose of ASX Listing Rule 5.3.1, details of the Company's exploration activities for the quarter, including any material developments or changes in those activities, and a summary of the expenditure incurred on those activities is set out in the relevant sections of this announcement. Total exploration expenditure incurred during the period was \$682,838.

5.3.2.

For the purpose of ASX Listing Rule 5.3.2, the Company confirms that there were no mining production and development activities during the quarter by the Company or its subsidiaries.

5.3.3.

For the purpose of ASX Listing Rule 5.3.3, details of the tenements held by Company are set out at Schedule 1. During the period exploration applications for tenements 831892/2024 and 831917/2024 were granted for a period of three years.

5.3.4.

For the purpose of ASX Listing Rule 5.3.4, a comparison of the use of funds as per the Axel REE Prospectus dated 7 June 2024 (**Prospectus**) and actual use of funds since ASX admission is presented below:

| Use of Funds | Prospectus Estimate (2 year period following admission) (\$ million) | Actual use of Funds until 31 March 2025 (\$ million) | Variance |
|----------------------------------|---|--|---------------|
| Exploration at the Projects | 9.65 | 1.43 | (8.22) |
| Expenses of the Offer | 1.14 | 1.10 | (0.04) |
| General and administration costs | 2.51 | 1.37 | (1.14) |
| Working capital | 0.52 | 0.07 | (0.45) |
| Total | 13.82 | 3.97 | (9.85) |

The material variance relating to exploration expenditure was principally due to the following:

- The Company was admitted to the ASX on 19 July 2024 (**Admission**) and commenced trading on 23 July 2024. The Use of Funds Statement covers a 24 month period following Admission.
- As at the date of this announcement, the Company believes it remains on track to meet its intended use of funds disclosed in the Use of Funds Statement over the 24 month period, as a large amount of the Company's exploration work is planned, including progressing the current exploration programs that primarily consist of drilling, as set out in this announcement and the Prospectus, and achieving a maiden Mineral Resource Estimate at the flagship Caladão REE-Gallium Project.

5.3.5.

For the purpose of ASX Listing Rule 5.3.5, the Company made payments of approximately \$194,617 to related parties and their associates. These payments include directors' fees/salaries and superannuation contributions, company secretary fees and geological consulting fees.

This announcement was authorised by the Board of Directors.

For enquiries regarding this release please contact:

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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.

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. Dr. Tallarico is a full-time employee of the Company. Dr. Tallarico has 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 consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Forward Looking Statement

This announcement contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company. These risks and uncertainties could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information. Actual results and future events could differ materially from anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change.

Reference to Previous Announcements

The information that relates to previous exploration results is extracted from:

- AXL ASX release 24 March 2025, "*Axel Signs Strategic MoUs with the MG State Government*"
- AXL ASX release 19 March 2025, "*Thick, High Grade REE and Ga Intercepts Continue at Caladao*"
- AXL ASX release 18 February 2025, "*REE-Gallium Company Presentation*"
- AXL ASX release 14 February 2025, "*Mineral Resource Estimate and Metallurgy Testing to Commence*"
- AXL ASX release 28 January 2025, "*19,493ppm TREO at High Grade Caldas Project*"
- AXL ASX release 24 January 2025, "*Loyalty Options Prospectus*"

- AXL ASX release 20 January 2025, “68% Increase In Mineralised Drilled Area at Flagship Caladao”

The Company confirms that it is not aware of any new information or data that materially affects the information contained in these announcements and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

Schedule 1 – Tenements at 31 March 2025

| Tenement Number | Area (ha) | Holder | Location | Interest ¹ | Expiry Date |
|-----------------|-----------|---------------|--------------|-----------------------|-------------|
| 830457/2023 | 1,317.80 | Axel REE Ltda | Minas Gerais | 100% | 14-Oct-2027 |
| 830466/2023 | 1,968.93 | Axel REE Ltda | Minas Gerais | 100% | 18-Apr-2026 |
| 830453/2023 | 1,502.79 | Axel REE Ltda | Minas Gerais | 100% | 19-Jun-2026 |
| 830465/2023 | 1,912.78 | Axel REE Ltda | Minas Gerais | 100% | 19-Jun-2026 |
| 830467/2023 | 826.86 | Axel REE Ltda | Minas Gerais | 100% | 20-Sep-2027 |
| 830468/2023 | 910.99 | Axel REE Ltda | Minas Gerais | 100% | 20-Sep-2027 |
| 830454/2023 | 1,299.51 | Axel REE Ltda | Minas Gerais | 100% | 23-Mar-2026 |
| 830458/2023 | 1,714.00 | Axel REE Ltda | Minas Gerais | 100% | 23-Mar-2026 |
| 830469/2023 | 1,972.50 | Axel REE Ltda | Minas Gerais | 100% | 23-Mar-2026 |
| 830464/2023 | 1,991.16 | Axel REE Ltda | Minas Gerais | 100% | 23-Mar-2026 |
| 803030/2023 | 1,997.87 | Axel REE Ltda | Minas Gerais | 100% | 23-Mar-2026 |
| 830527/2023 | 386.89 | Axel REE Ltda | Minas Gerais | 100% | 23-Mar-2026 |
| 830455/2023 | 1,227.51 | Axel REE Ltda | Minas Gerais | 100% | 23-May-2026 |
| 831090/2023 | 1,333.64 | Axel REE Ltda | Minas Gerais | 100% | 23-May-2026 |
| 831084/2023 | 1,950.77 | Axel REE Ltda | São Paulo | 100% | 23-May-2026 |
| 831088/2023 | 1,956.82 | Axel REE Ltda | Minas Gerais | 100% | 23-May-2026 |
| 831089/2023 | 1,983.83 | Axel REE Ltda | Minas Gerais | 100% | 23-May-2026 |
| 831087/2023 | 1,998.07 | Axel REE Ltda | Minas Gerais | 100% | 23-May-2026 |
| 820286/2023 | 16.56 | Axel REE Ltda | Minas Gerais | 100% | 26-Oct-2026 |
| 820287/2023 | 899.49 | Axel REE Ltda | Minas Gerais | 100% | 26-Oct-2026 |
| 820319/2023 | 1,603.14 | Axel REE Ltda | Minas Gerais | 100% | 26-Sep-2026 |
| 830082/2023 | 1,549.63 | Axel REE Ltda | Minas Gerais | 100% | 27-Feb-2026 |
| 830887/2023 | 14.15 | Axel REE Ltda | São Paulo | 100% | 28-Feb-2027 |
| 830889/2023 | 32.88 | Axel REE Ltda | São Paulo | 100% | 28-Feb-2027 |
| 830895/2023 | 67.40 | Axel REE Ltda | São Paulo | 100% | 28-Feb-2027 |
| 830500/2023 | 1,460.50 | Axel REE Ltda | Piauí | 100% | 28-Jul-2026 |
| 830884/2023 | 24.43 | Axel REE Ltda | Minas Gerais | 100% | 28-Jul-2026 |
| 830893/2023 | 24.65 | Axel REE Ltda | Minas Gerais | 100% | 28-Jul-2026 |
| 830890/2023 | 363.73 | Axel REE Ltda | Minas Gerais | 100% | 28-Jul-2026 |
| 830886/2023 | 47.58 | Axel REE Ltda | São Paulo | 100% | 28-Jul-2026 |
| 830891/2023 | 5.63 | Axel REE Ltda | Minas Gerais | 100% | 28-Jul-2026 |
| 830888/2023 | 7.77 | Axel REE Ltda | São Paulo | 100% | 28-Jul-2026 |
| 830882/2023 | 8.12 | Axel REE Ltda | Piauí | 100% | 28-Jul-2026 |
| 830456/2023 | 1,080.58 | Axel REE Ltda | Minas Gerais | 100% | 28-Mar-2026 |
| 830452/2023 | 148.72 | Axel REE Ltda | Minas Gerais | 100% | 28-Mar-2026 |
| 803032/2023 | 1,957.15 | Axel REE Ltda | Minas Gerais | 100% | 30-Mar-2026 |
| 803031/2023 | 1,977.23 | Axel REE Ltda | Minas Gerais | 100% | 30-Mar-2026 |
| 831092/2023 | 1,085.01 | Axel REE Ltda | Minas Gerais | 100% | 31-May-2026 |
| 831086/2023 | 1,886.07 | Axel REE Ltda | Minas Gerais | 100% | 31-May-2026 |
| 830085/2023 | 1,454.03 | Axel REE Ltda | Minas Gerais | 100% | 3-Apr-2026 |

| Tenement Number | Area (ha) | Holder | Location | Interest ¹ | Expiry Date |
|-----------------|-----------|--|--------------|-----------------------|-------------------------------|
| 830461/2023 | 1,914.17 | Axel REE Ltda | Minas Gerais | 100% | 3-Apr-2026 |
| 830463/2023 | 1,917.61 | Axel REE Ltda | Minas Gerais | 100% | 3-Apr-2026 |
| 830451/2023 | 1,919.96 | Axel REE Ltda | Minas Gerais | 100% | 3-Apr-2026 |
| 830516/2023 | 1,947.10 | Axel REE Ltda | Minas Gerais | 100% | 3-Apr-2026 |
| 830515/2023 | 1,963.87 | Axel REE Ltda | Minas Gerais | 100% | 3-Apr-2026 |
| 830462/2023 | 1,978.71 | Axel REE Ltda | Minas Gerais | 100% | 3-Apr-2026 |
| 830505/2023 | 1,033.42 | Axel REE Ltda | Minas Gerais | 100% | 4-May-2026 |
| 830506/2023 | 786.64 | Axel REE Ltda | Minas Gerais | 100% | 4-May-2026 |
| 866055/2023 | 9,753.55 | Axel REE Ltda | Mato Grosso | 100% | 6-Jun-2026 |
| 866054/2023 | 9,944.86 | Axel REE Ltda | Mato Grosso | 100% | 6-Jun-2026 |
| 866052/2023 | 9,989.08 | Axel REE Ltda | Mato Grosso | 100% | 6-Jun-2026 |
| 830083/2023 | 1,995.50 | Axel REE Ltda | Minas Gerais | 100% | 7-Feb-2026 |
| 830084/2023 | 1,327.50 | Axel REE Ltda | Minas Gerais | 100% | 7-Mar-2026 |
| 866051/2023 | 9,892.33 | Axel REE Ltda | Mato Grosso | 100% | 8-Mar-2026 |
| 830459/2023 | 1,599.56 | Axel REE Ltda | Minas Gerais | 100% | 9-May-2026 |
| 831892/2024 | 1,130.7 | Axel REE Ltda | Minas Gerais | 100% | 10-Feb-2028 |
| 831917/2024 | 486.96 | Axel REE Ltda | Minas Gerais | 100% | 10-Feb-2028 |
| 833341/2023 | 1,130.70 | Axel REE Ltda | Minas Gerais | 100% | Application pending |
| 830460/2023 | 1,435.97 | Axel REE Ltda | Minas Gerais | 100% | Application pending |
| 830881/2023 | 32.34 | Axel REE Ltda | Minas Gerais | 100% | Application pending |
| 830880/2023 | 357.80 | Axel REE Ltda | Minas Gerais | 100% | Application pending |
| 830883/2023 | 57.57 | Axel REE Ltda | Piauí | 100% | Application pending |
| 830885/2023 | 695.36 | Axel REE Ltda | Minas Gerais | 100% | Application pending |
| 833340/2023 | 936.03 | Axel REE Ltda | Minas Gerais | 100% | Application pending |
| 831458/2020 | 1,574.47 | Foxfire Metals Ltda ² | Minas Gerais | 100% ² | 27-Nov-2027 |
| 831515/2020 | 884.39 | Lobo Guara Mineracao e Representacao Eireli ² | Minas Gerais | 100% ² | Application pending |
| 831524/2020 | 1,023.90 | Lobo Guara Mineracao e Representacao Eireli ² | Minas Gerais | 100% ² | Extension application pending |

¹ Interest refers to legal and beneficial ownership of the tenements described in Schedule 1 except for the three tenements referred at 2 below.

² Axel REE holds 100% beneficial interest in the mineral rights (other than lithium) in three tenements that were assigned to the Company under an asset sale agreement with Foxfire Metals Pty Ltd. Refer to the Company Prospectus for further details.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AXEL REE LIMITED

ABN

50 665 921 273

Quarter ended ("current quarter")

31 MARCH 2025

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date 9 months \$A'000 |
|--------------------------------------|---|----------------------------|-------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (683) | (1,334) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (20) | (20) |
| | (e) administration and corporate costs | (352) | (1,372) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 45 | 242 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (IPO costs expensed to P&L) | - | (117) |
| 1.9 | Net cash from / (used in) operating activities | (1,010) | (2,600) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | (93) |
| | (d) exploration & evaluation | - | - |
| | (e) investments | - | - |
| | (f) other non-current assets | - | (67) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date 9 months \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | (160) |

| | | | |
|-------------|---|----------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 3,615 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (982) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | 2,633 |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 10,684 | 9,806 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,010) | (2,600) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | (160) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 2,633 |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date 9 months \$A'000 |
|--------------------------------------|---|----------------------------|-------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | - | (4) |
| 4.6 | Cash and cash equivalents at end of period | 9,675 | 9,675 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances | 9,675 | 10,684 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 9,675 | 10,684 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | (195) |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Refer section 5.3.5 of quarterly activity report for further explanation of related party payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| | | | |
|-----------|---|---|--|
| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | Total financing facilities | - | - |
| 7.5 | Unused financing facilities available at quarter end | | - |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | N/A | | |

| | | |
|-----------|---|----------------|
| 8. | Estimated cash available for future operating activities | \$A'000 |
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (1,010) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (1,010) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 9,675 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 9,675 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 9.6 |
| | <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 | If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| | Answer: N/A | |
| 8.8.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| | Answer: N/A | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 April 2025

Date:

Board of Axel REE Limited

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.