Caladão REE - Gallium Project - Brazil

Nd Neodymium | Pr Praseodymium | Dy Dysprosium | Tb Terbium | Ga Gallium

AXEL REE

RIU SYDNEY RESOURCES ROUND-UP CONFERENCE | May 2025

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Competent Person 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 the information in the form and context in which it appears.

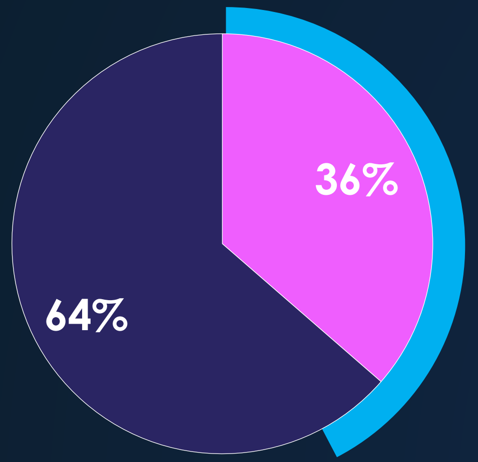
Corporate Snapshot
Low EV, strong cash balance

Capital Structure

ASX Code	AXL
Share Price (market close 07.05.2025)	$0.063
Shares on Issue	174.4M
Options on Issue	93M
Market Capitalisation (07.05.2025, undiluted)	$11.0M
Cash (31 Mar 2025)	**$9.6M**

Shareholders

Top 20	58%
Board & Management	36%
Escrowed Shares (exp. July 2026)	42%



Board

Paul Dickson
Non-Executive Chairman

- More than 30 years' experience in the finance services industry
- Currently Non-Executive Chairman of Alligator Energy Limited (ASX:AGE) and Non-Executive Director of Verity Resources Limited (ASX:VRL)
- Founding Director at Paradigm Capital, a boutique corporate advisory firm specialising in junior and mid-tier ASX listed resources companies, and a Director of Proserpine Capital a private equity firm for circa 4 years

Dr Fernando Tallarico
Managing Director (Brazil, in-country)

- Over 30 years international experience in minerals exploration and grassroots discoveries for junior exploration companies
- Previously Managing Director of Aguia Resources (ASX:AGR) and was instrumental in putting together its phosphate and copper portfolio in Southern Brazil
- Has held positions as Technical Director at Forbes & Manhattan Brazil, Project Manager at BHP, Senior Geologist at Falconbridge and Vale, leading world-class discoveries in potash, diamonds, nickel laterite and PGE respectively.

Pat Volpe
Non-Executive Director

- Founder of Axel REE, has over 38 years' experience in minerals and metals exploration and made discoveries globally
- Founder of A-CAP Energy Limited (acquired by Lotus Resources Limited ASX:LOT) and led the discovery of a World-class uranium deposit in Botswana
- Previously Executive Chairman of Botswana Metals Limited (renamed Verity Resources Ltd, ASX:VRL), which made base and precious metals discoveries (nickel, copper and PGE)

Ian Kiers
Non-Executive Director

- Over 27 years in private equity specializing in M&A
- Was Chief Executive Officer of GBM Group (a Smorgon Private Family Office) for 19 years having previously held positions as Head of Mergers and Acquisitions and Head of Group Strategy

The Gallium Opportunity
Rapidly Growing Supply Critical Metal

***Gallium Spot price USD 244,100 per tonne** (30/4/2025)[1]*

Global Strategic Metal
Recognised as a critical metal due to its role in high-tech industries (chips used in AI), solar energy, aerospace and military defense applications

Supply Chain Risks
Limited primary production. In December 2024, China, supplying 98% of global gallium, banned exports to the U.S., causing significant price increases and supply shortages.

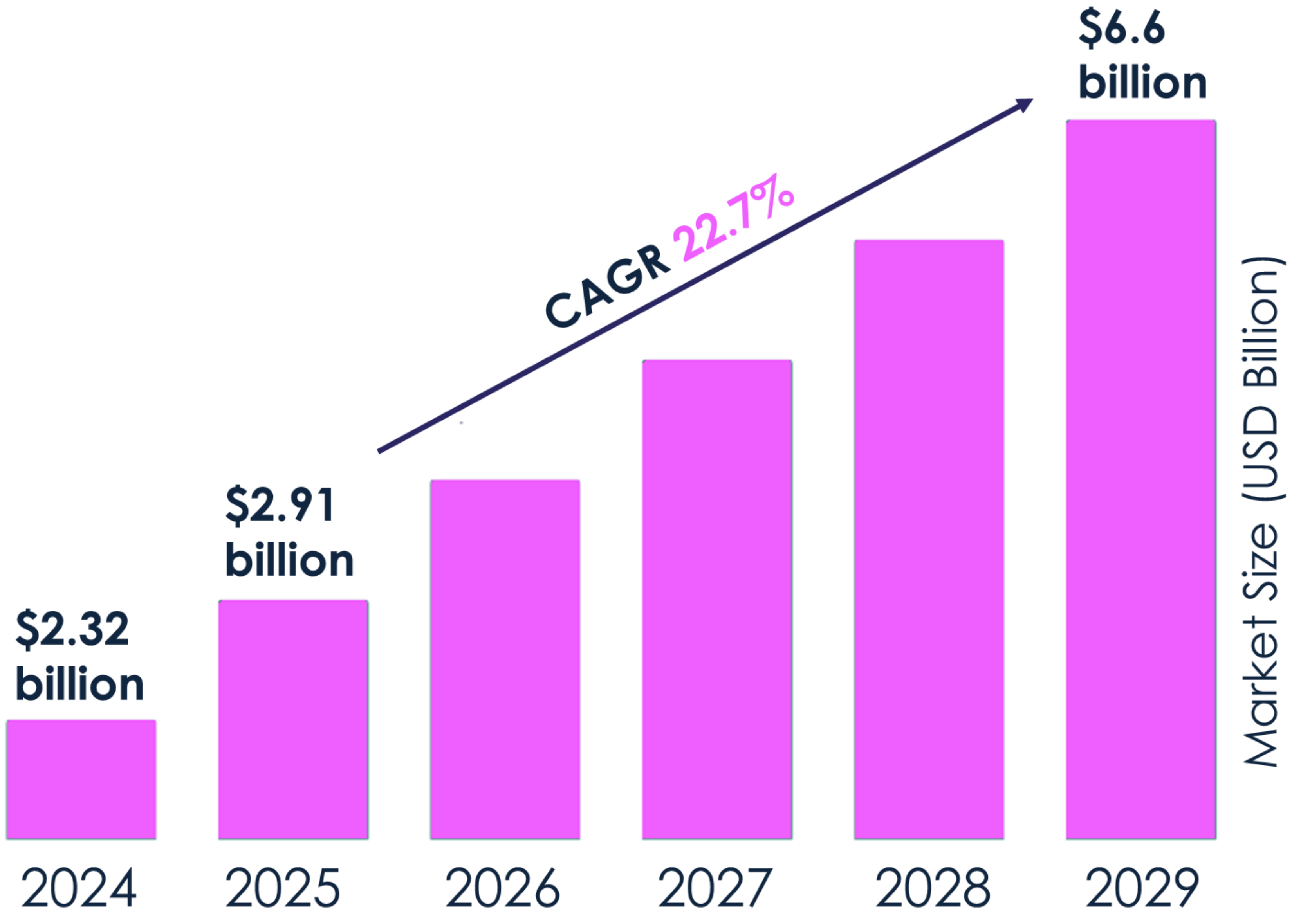
Essential for Energy Transition
Integral to solar energy, EVs, and next-gen electronics

1. Source: Gallium metal spot price at 30 April 2025, dailymetalprice.com

Gallium price rises to highest since 2011 following China export curbs

Bloomberg News | December 13, 2024 | 10:27 am Markets China Specialty Minerals

Global Gallium Market Outlook



Source: The Business Research Company

Axel REE Value Proposition

AXEL REE

The presence of at surface gallium associated with rare earths could change the economics of the Caladão Resource Estimate

1

Fully Funded $9.6M

Low risk, high upside

Strong cash balance, built a robust exploration team in Brazil with low exploration costs and excellent drill results to date

Fully funded to execute and fast track exploration strategy and assess potential new opportunities

2

Unique REE + Gallium Discovery

At surface Gallium discovery in lateritic soil profile up to 124g/t Ga_2O_3

Significant potential high-value by-product to Caladão REE discovery

Over **60km^2 REE + Ga** mineralised area from surface up to ~80m – **District scale discovery potential**

High grade REE up to **28,132ppm TREO**

Excellent proportion of supply critical magnet rare earths (**MREO**) with high grade LREE (Nd+Pr) and HREE (Dy+Tb)

3

Executing IPO Strategy

Over 4,000m drilled, exceptional surface REE and Ga discovery

Commenced Caladão Project Mineral Resource Estimate, expected **July 2025**

Caldas Project outstanding REE intercepts neighbouring major discoveries by Meteoric Resources NL and Viridis Mining and Minerals Ltd

>1,000km^2 portfolio across four projects

Government support – FIEMG (REE magnet facilities) and Invest Minas (project development)

Axel REE Strategy Execution

Advanced exploration strategy at Caladão Project

✓ July 2024	✓ October 2024	✓ December 2024	✓ January 2025	✓ February 2025	✓ March 2025
$13.3M ASX IPO Commenced Caladão diamond drill campaign	High grade drill hits up to 12,031ppm TREO at Caladão	**High grade at surface Gallium discovery at Caladão over 124g/t Ga_2O_3** Exceptional REE hits up to 28,321ppm TREO and 41% MREO	68% increase in mineralised drilled area covering **60km²** at Caladão – mineralisation extends from Area A (35km²) to Area B (25km²)	**Commenced Mineral Resource Estimate calculation REE + Gallium** Commenced metallurgical studies	Strategic government collaborations signed with Federation of Industries Minas Gerais and State Economic Development Department

6,182m drilled – 417 holes – 60km² REE + Ga mineralised area – open in all directions (400km² Caladão Project area)

July 2025	September 2025	December 2025
REE + Gallium JORC Inferred Resource Caladão Area A (35km²) **Metallurgy results – REE-Gallium**	**REE + Gallium JORC Inferred Resource** Caladão Area B (25km²)	**Securing long-term supply partnerships for REE and Gallium.** Supporting strategic positioning in next-generation technologies

Positioning to potentially be a key player in the global transition to a sustainable and technology-driven future

Key Government Partnerships

MoUs signed to expedite project development

Federation of Industries of Minas Gerais (FIEMG)

Collaboration on the production of rare earth magnets – potential for Axel REE to supply REE raw materials for production of rare earth magnets

State Secretariat for Economic Development, and the Instituto de Desenvolvimento Integrado de Minas Gerais, Invest Minas

Supports the exploration, development and operational stages and will assist Axel with access to government agencies and fast-tracking permit approvals

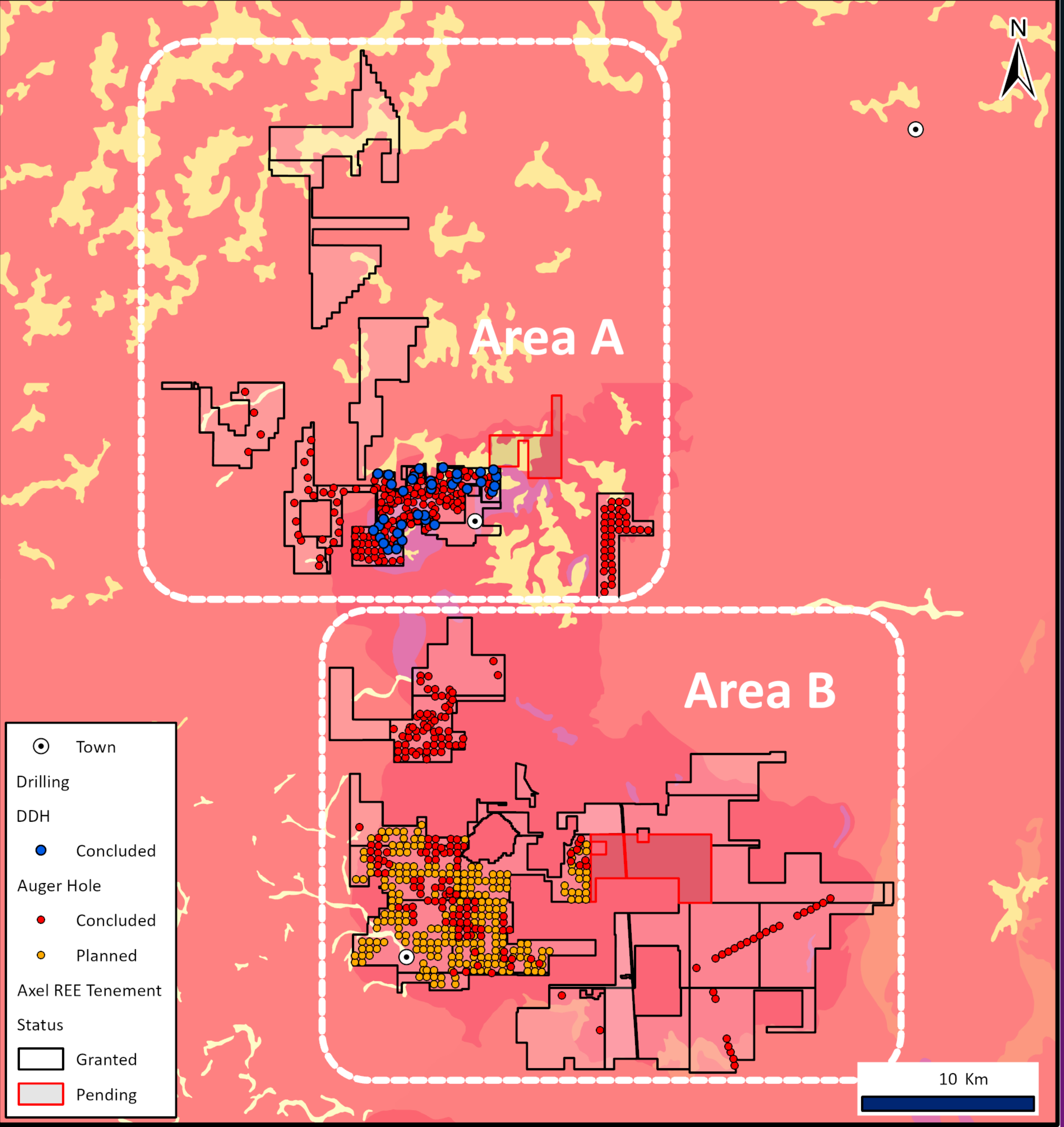
LABFABITR

INVEST MINAS

Sistema FIEMG SESI | SENAI | IEL | CIEMG

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

FIEMG recently acquired LabFab ITR, South America's first facility dedicated to the research and production of permanent magnets



Caladão Project

District Scale REE + Gallium Discovery

District Scale Discovery

$60km^2$ mineralised drilled area (Area A + Area B)

15% of total $400km^2$ project area drilled to date

~25km from Sigma lithium mine & infrastructure

>230 drill holes (diamond and auger) >4,000m drilled

Mineralisation in altered granites with abundant kaolinite clays

Mineralisation open in all directions

High Grade REE + Gallium

High grade Gallium discovered in the lateritic soil profile **at surface**

Potentially significant high-value Gallium by-product

Up to **28,321ppm TREO** with high-value MREO intercepts over 40%

Up to **124g/t Ga_2O_3** from **surface**

Mineral Resource Estimation Commenced

Targeting maiden MRE in H1 CY2025

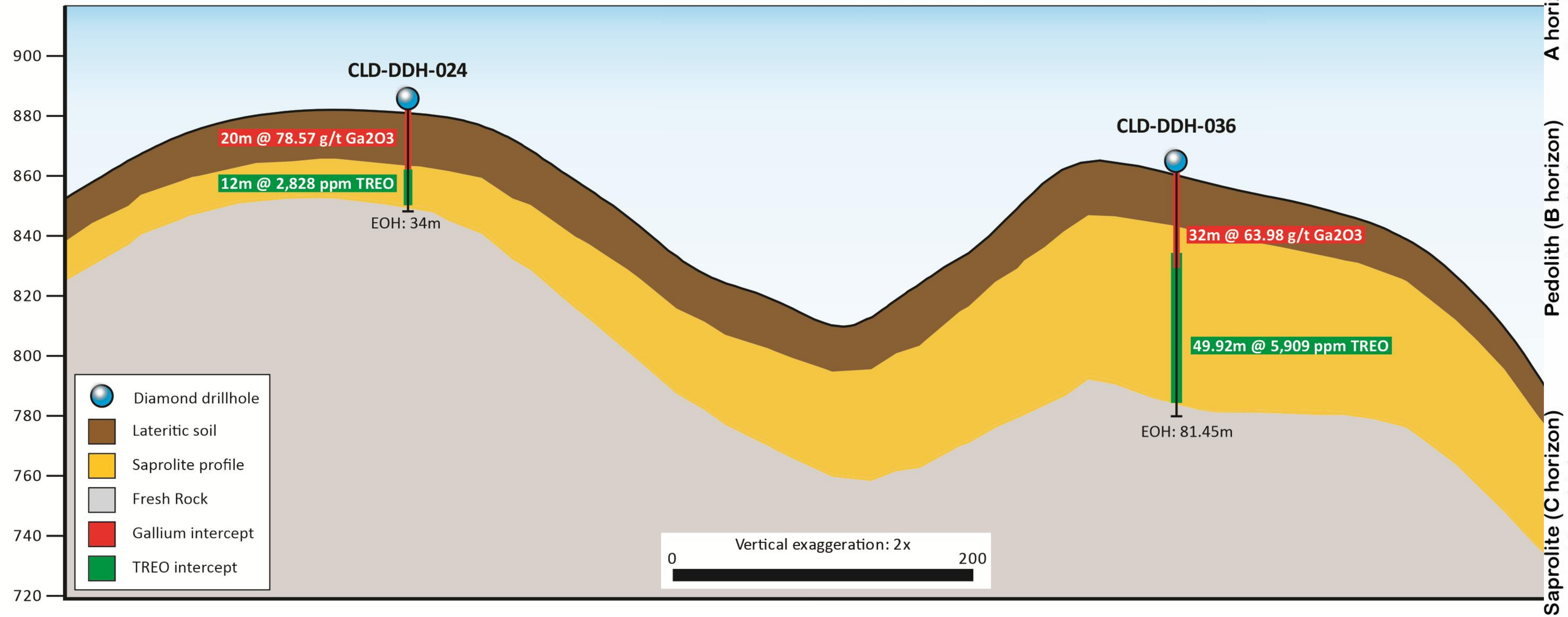
SRK engaged to conduct MRE over $60km^2$ mineralised area

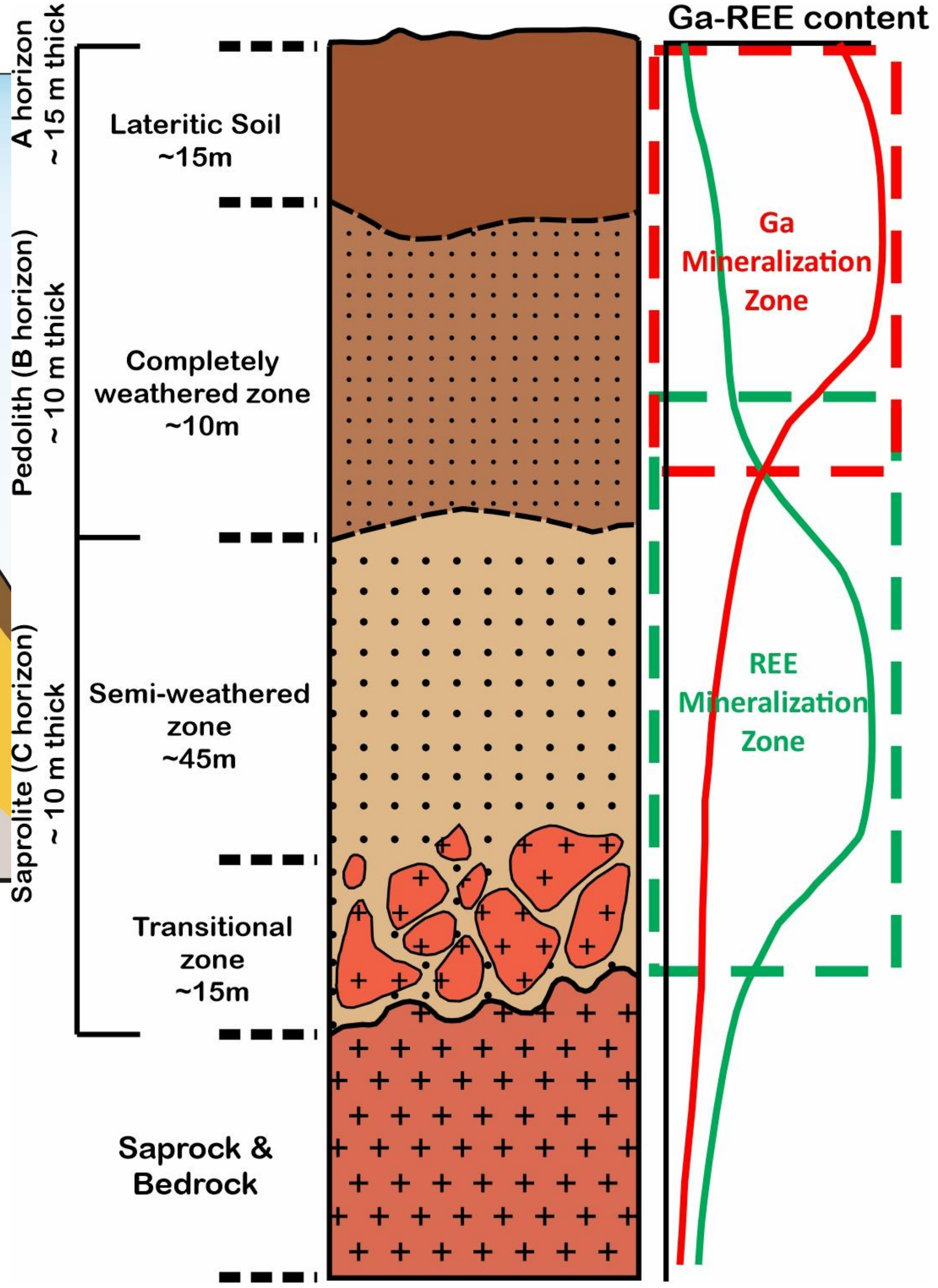
ANSTO to commence metallurgy for REE and Gallium

Caladão Project

Unique REE + Gallium Discovery

Unique deposit profile with gallium mineralised in the surface lateritic soil profile



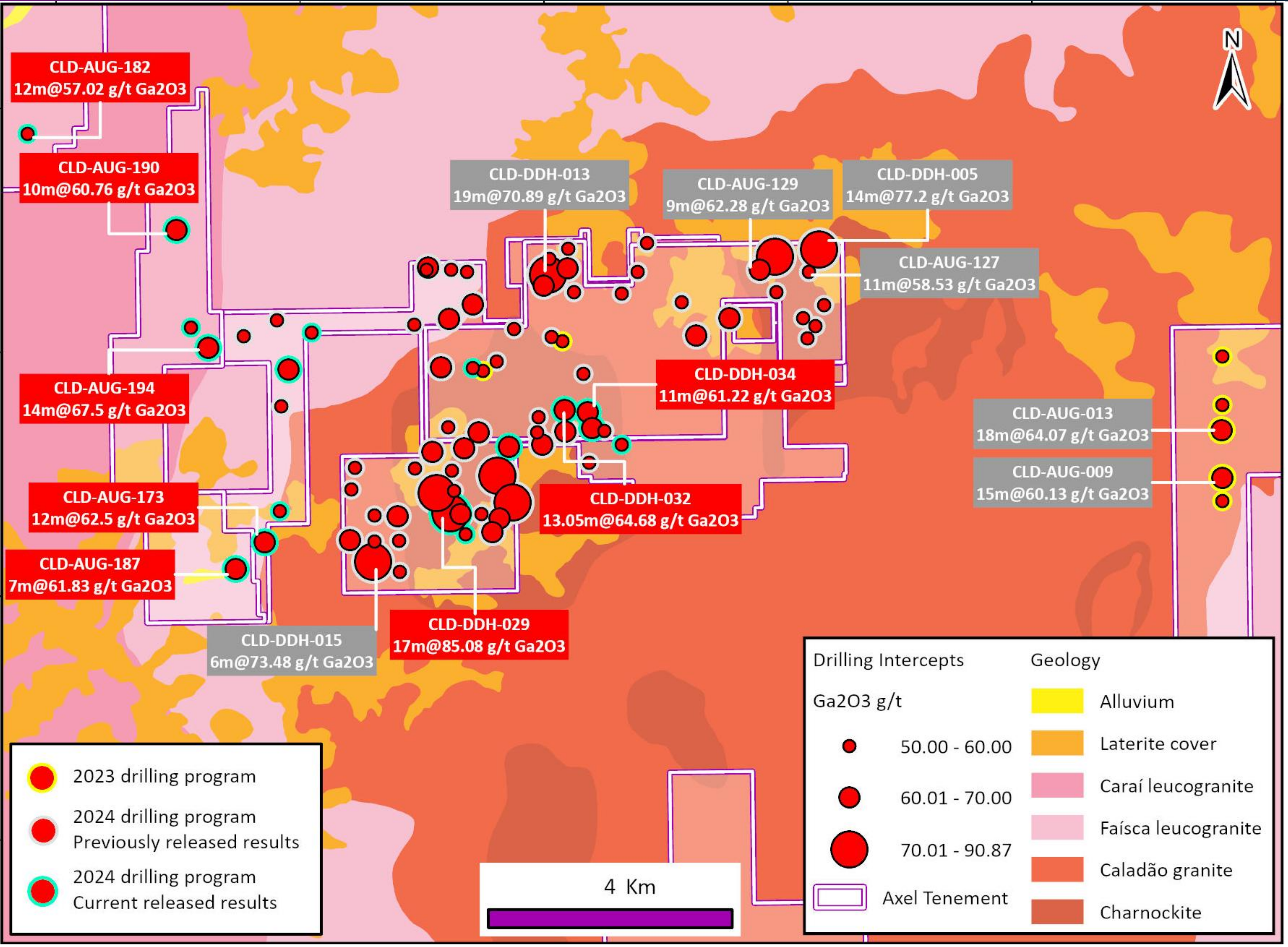


Schematic profile DDH-036

Whilst REE grade is increasing to depths up to ~80m, high grade Gallium is present predominately in the lateritic soil layer from surface, providing opportunity to utilise the surface soil layer for high value Gallium by-product

Caladão Project – Area A

High Grade, At Surface Gallium Discovery



Caladão Project Area A High Grade Gallium Distribution (cutoff 50g/t Ga_2O_3, 5m composites)

- **High grade at surface Gallium identified as a potential high value by-product**
- **Mineralisation consistent over 35km² drilled area in the lateritic soil profile from surface**
- **Gallium export restriction by China on December 3, 2024 has made it a supply critical metal of global significance**
- **High grade Ga from surface including:**

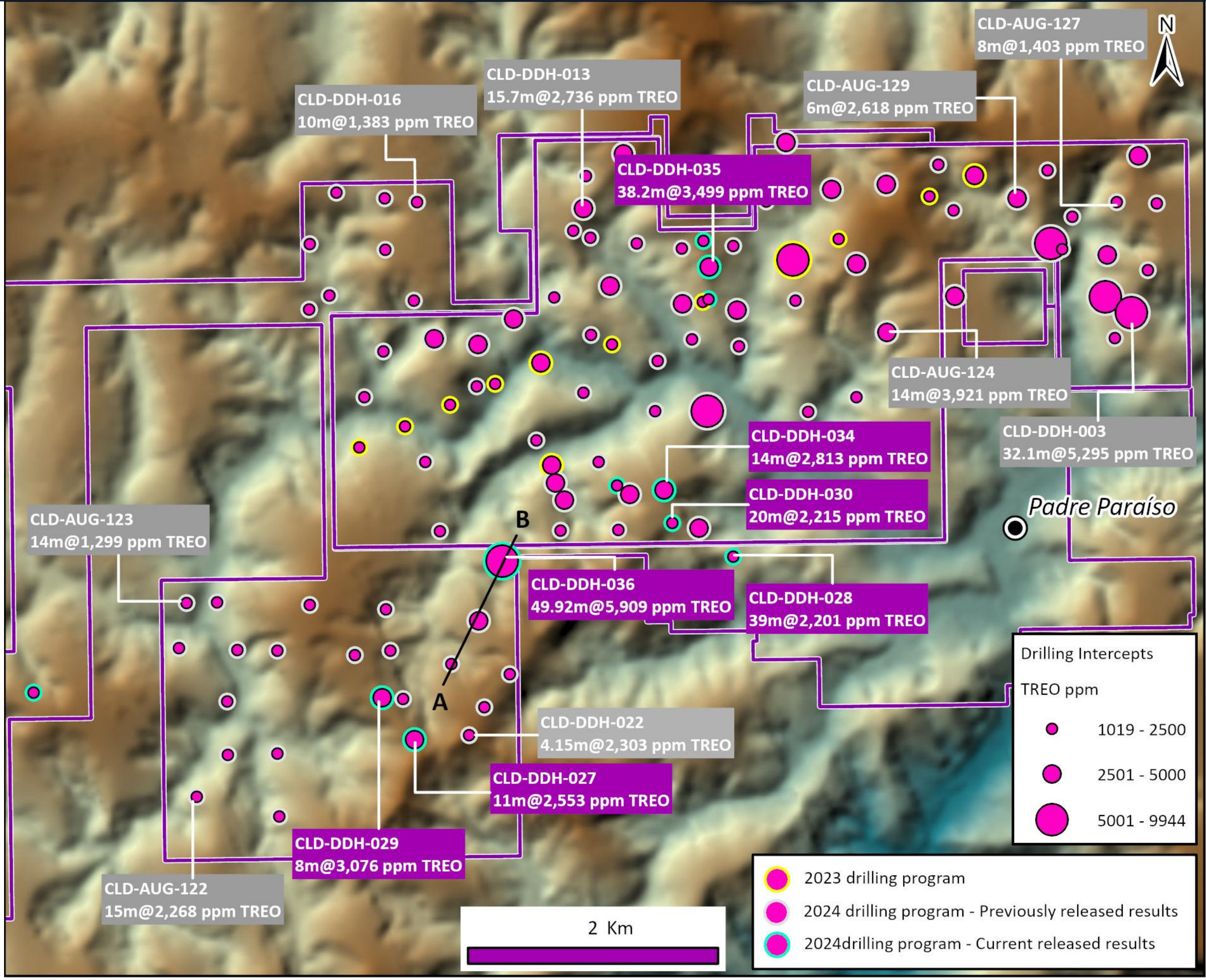
CLD-AUG-109:	**6m @ 71 g/t Ga2O3** from 4m
including:	1m @ 124 g/t Ga2O3 from 4m
CLD-DDH-005:	**14m @ 77 g/t Ga2O3** from surface
including:	**7m @ 83 g/t Ga2O3** from 4m
CLD-DDH-029:	**17m @ 85 g/t Ga2O3** from surface
including:	**6m @ 95 g/t Ga2O3** from 5m
with:	1m @ 105 g/t Ga2O3 from 8m
CLD-DDH-006:	45m @ 50 g/t Ga2O3 from surface to EOH,

Caladão Project – Area A

Widespread and thick REE mineralisation over 35km²

- High grade mineralised REE drill intercepts over 35km² near surface
- Up to 80m thick zones in kaolinite clay
- High value magnet rare earths (NdPr and DyTb) make up significant proportion with intercepts up to 44% MREO/TREO
- Targeting Maiden JORC Inferred Resource
- **High grade near surface TREO results including:**

CLD-DDH-001:	**12.4m @ 5,478ppm TREO** from 3m
including:	**2m @ 12,454ppm TREO** from 18m
with:	1m @ 19,493ppm TREO from 11m
CLD-DDH-003:	**32.1m @ 5,295ppm TREO** from 13m
including:	**10m @ 9,444ppm TREO** from 18m
with:	1m @ 13,492ppm TREO from 20m
CLD-AUG-093:	**14m @ 9,994ppm TREO** from 1m
including:	1m @ 28,321ppm TREO from 9m
and:	**1m @ 9,171ppm TREO** from 12m
CLD-DDH-036:	**49.92m @ 5,909ppm TREO (20% MREO)** from 27m
including	**8m @ 13,604ppm TREO (31% MREO)** from 55m
with	1m @ 22,115ppm TREO (30% MREO) from 60m



Caladão Project Area A drill plan (cutoff 1,000ppm)

Caladão Project – Area A

High Value Magnet REE Profile

AXEL REE

REE Critical for Permanent Magnets

Nd Neodymium	Pr Praseodymium	Tb Terbium	Dy Dysprosium

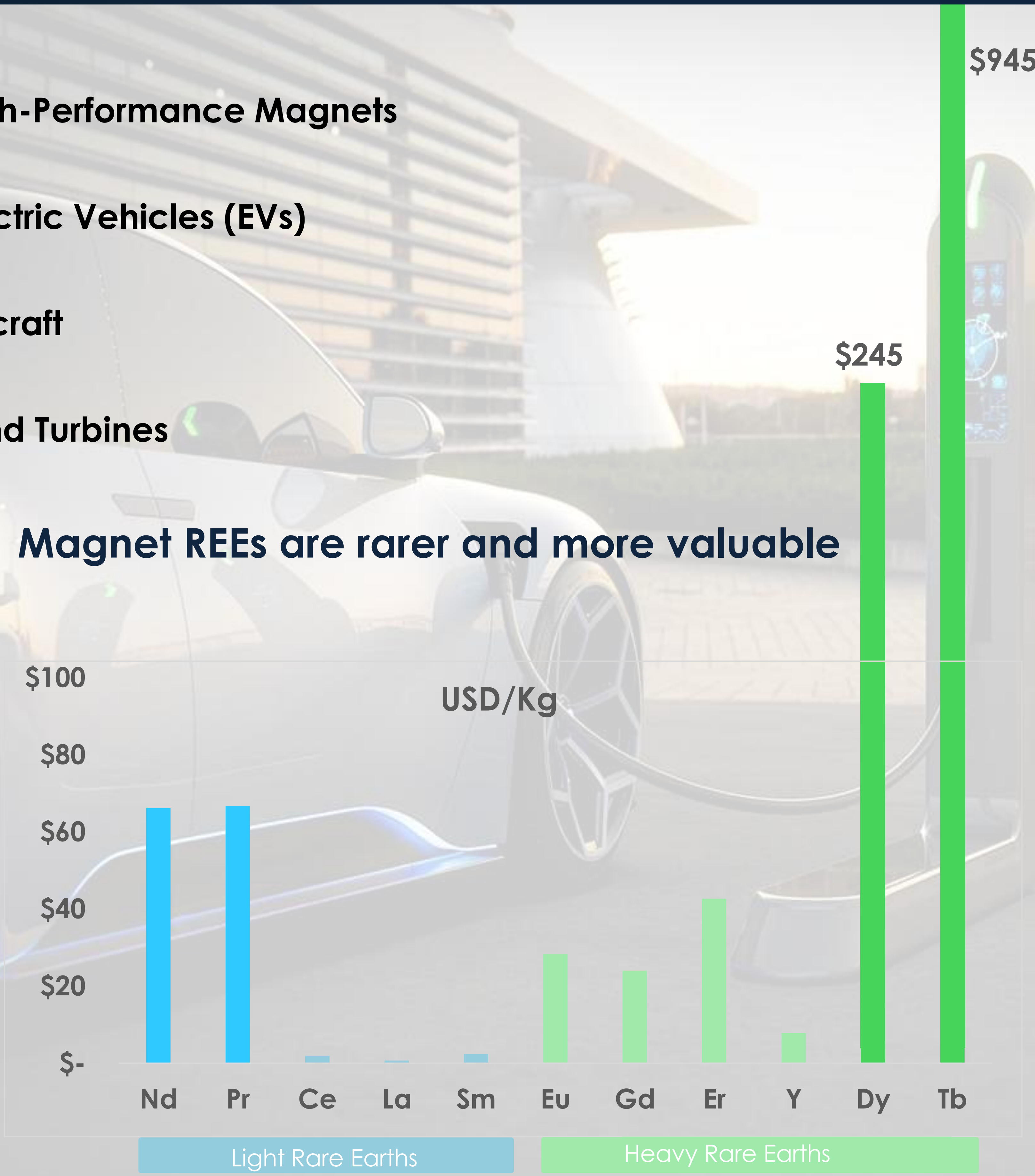
Light Rare Earths (Nd, Pr) — Heavy Rare Earths (Tb, Dy)

Caladão has a strong high value MREO profile

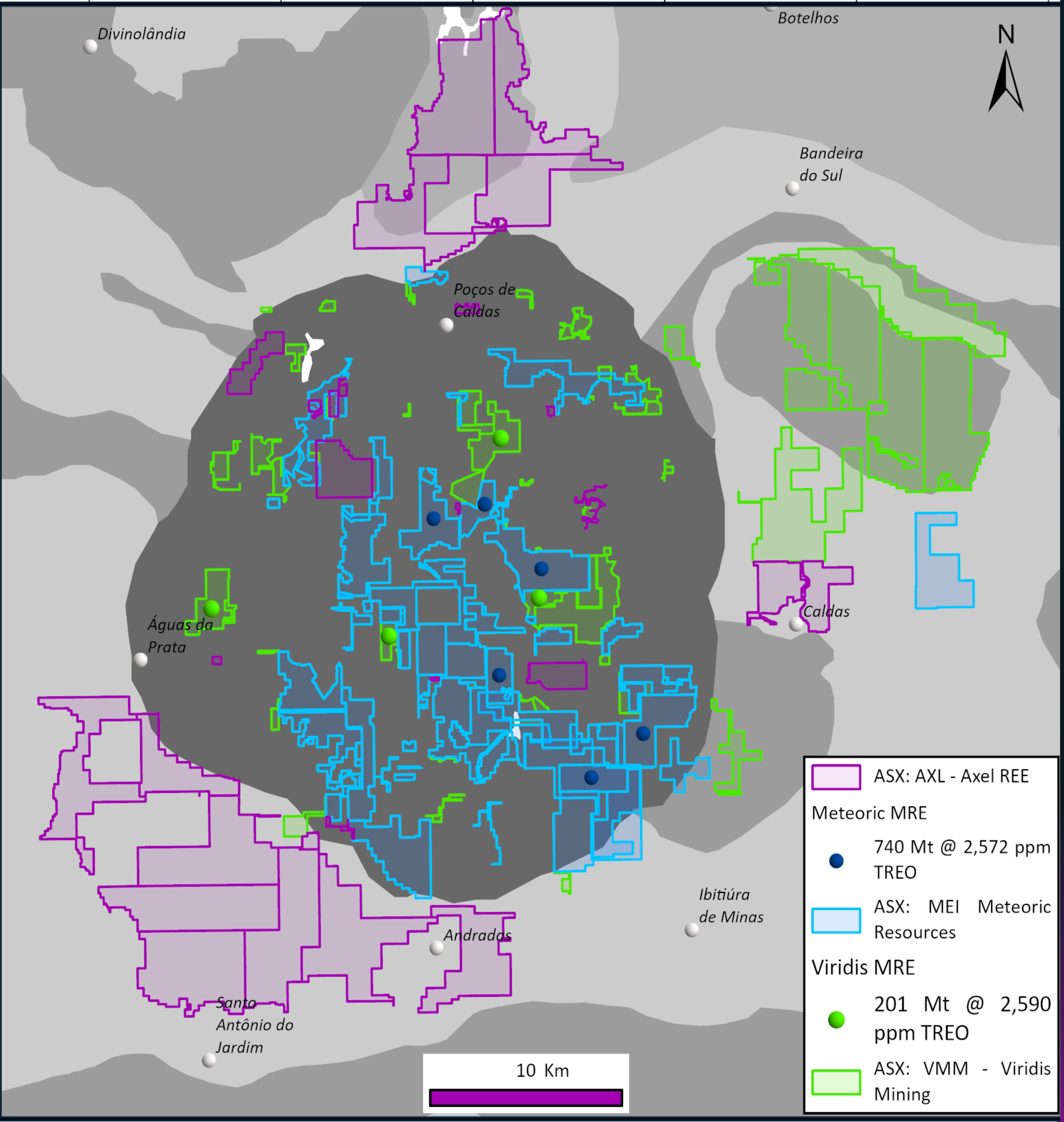
	Length (m)	From (m)	TREO (ppm)	MREO (%)	NdPr (ppm)	DyTb (ppm)
CLD-DDH-035	3	37	13,496	43	5,577	238
CLD-DDH-007	1	16	7,287	38	2,632	160
CLD-AUG-025	2	12	7,612	38	2,717	178
CLD-AUG-038	6	4	2,449	33	830	32
CLD-AUG-093	6	9	13,869	33	4,201	159
including	1	9	28,321	27	7,349	257
CLD-AUG-094	3	13	5,252	39	1,999	44
CLD-AUG-108	6	1	5,272	37	1,889	152
CLD-AUG-116	1	13	8,604	33	2,732	119

- High-Performance Magnets
- Electric Vehicles (EVs)
- Aircraft
- Wind Turbines

Magnet REEs are rarer and more valuable



https://mineralprices.com/rare-earths/ prices as at 23 April 2025



Caldas Project

AXEL REE

Poços De Caldas Alkaline Intrusive

This unique Alkaline Complex hosts globally significant ionic adsorption clay (**IAC**) REE discoveries including Meteoric Resources NL and Viridis Mining & Minerals Limited

Axel's Caldas Project covers 232km^2 and licences are situated inside, around the edge and within the Intrusive

High grade REE and MREO Intercepts in kaolinite clays:

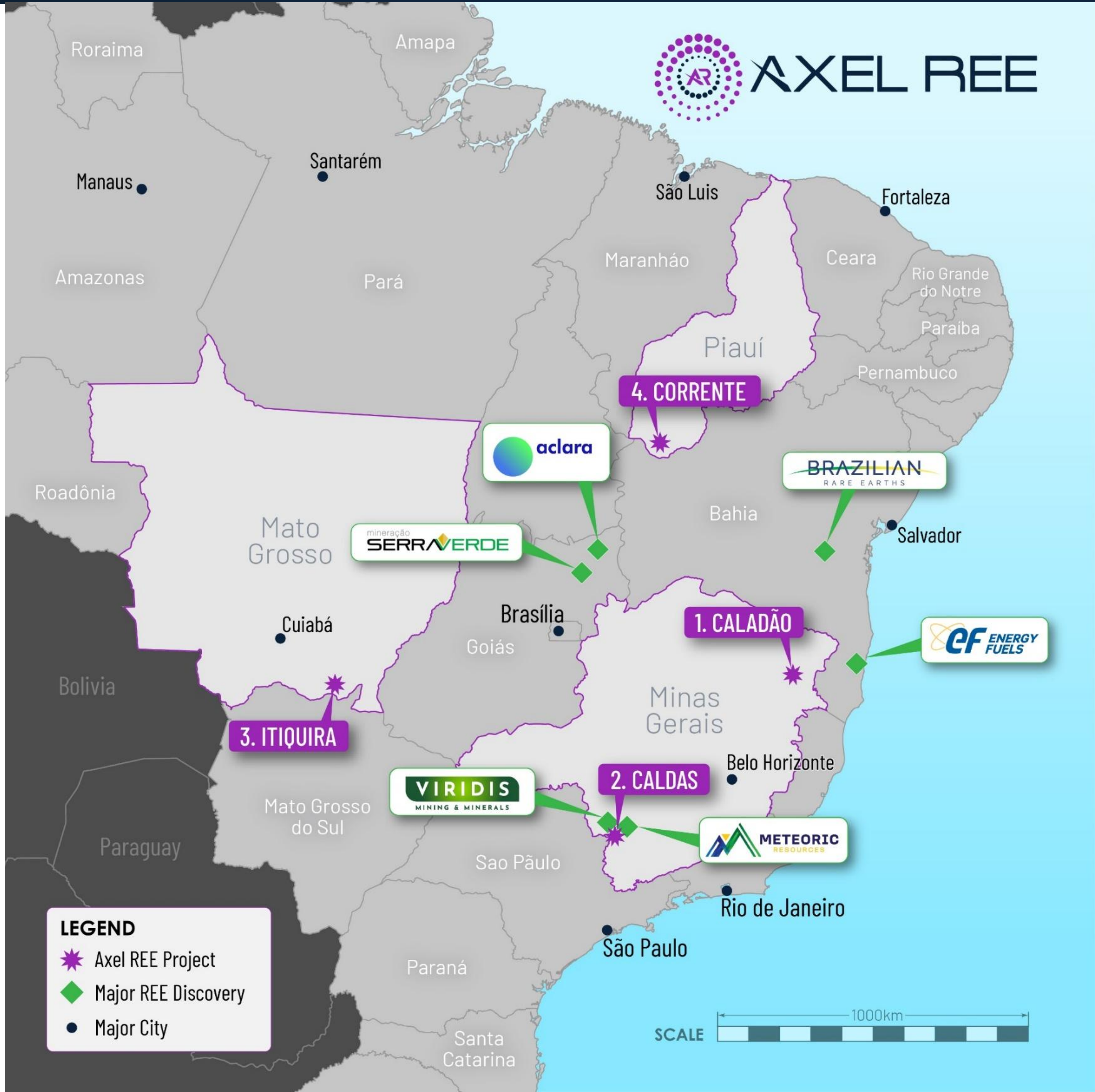
CAL-AUG-001:	**11m @ 3,273ppm TREO** 24% MREO from surface
including	**1m @ 7,099ppm TREO, 27% MREO** from 9m
CAL-AUG-003:	**20m @ 3,082ppm TREO**, 26% from surface
including	**1m @ 6,536ppm TREO, 32% MREO** from 15m
ending with	**11m @ 3,699ppm TREO**, 30% MREO from 9m
CAL-AUG-009:	**13m @ 5,735ppm TREO**, 25% MREO from surface
including	**5m @ 10,526 ppm TREO, 30% MREO** from 8m
ending with	**1m @ 19,493ppm TREO, 35% MREO** from 11m
CAL-AUG-019:	**10m @ 4,874ppm TREO, 34% MREO** from surface
including	**6m @ 6,730 ppm TREO, 38% MREO** from surface
ending with	**1m @ 7,166ppm TREO, 40% MREO** from 11m

Company Summary

Fully funded to fast track Caladão REE + Gallium discovery to Maiden JORC Resource

AXEL REE

- ✓ Large project portfolio >1,000km²
- ✓ Fully funded $9.6M cash (at 31 Mar 2025)
- ✓ Executing IPO Strategy: over 6,000m drilled since IPO in July 2024
- ✓ Caladão Project – unique surface REE + Gallium discovery
- ✓ High value Gallium potential by-product of global significance (China export ban), market price USD 244,000/tonne (30/04/2025)
- ✓ Maiden REE + Gallium JORC Resource expected July 2025
- ✓ Caldas Project high grade REE intercepts in the world class Poços de Caldas Alkaline Complex



References

References to previous announcements

- AXL ASX release 6 May 2025, "Strong Gallium and REE Intercepts Continue at Caladao"
- 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 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 20 January 2025, "68% Increase In Mineralised Drilled Area at Flagship Caladao"
- AXL ASX release 17 December 2024, "Significant Gallium Mineralisation at Caladao Project"
- AXL ASX release 11 December 2024, "28,321ppm TREO / 7,606ppm MREO Make Record Grades at Caladao"
- AXL ASX release 3 December 2024, "Widespread High Grade REE Confirmed from Caladao Channelling"
- AXL ASX release 27 November 2024, "Exceptional TREO and MREO Intercepts Continue at Caladao"
- AXL ASX release 30 October 2024, "Up to 12,931ppm TREO from first DD Hole 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.

AXEL REE

CONTACTS

Fernando Tallarico – Managing Director
fernando@axelreelimited.com.au

Paul Dickson – Chairman
pd@axelreelimited.com.au

Andrew Willis – Investor Relations
awillis@nwrcommunications.com.au