# QUARTERLY ACTIVITIES REPORT

## HIGHLIGHTS:

### Caladão REE/Gallium Project

- **Exceptional high grade Gallium and REE mineralisation continued to return from both Area A and Area B (over 65km$^2$) demonstrating remarkable lateral continuity at the Caladão Project**
- **Initial metallurgical test work completed (post quarter-end) by ANSTO confirmed presence of ionic adsorption clay (IAC) REE and positive recoveries by desorption of Rare Earth Elements (REE) using simple, low-cost sodium chloride (NaCl) and ammonium sulfate (AMSUL) leaching methods at pH 4**
- **Strong initial gallium recovery results also returned from ANSTO (post-quarter end) through acid leaching in preliminary tests. Further test work underway to develop a dedicated low-cost gallium recovery process**
- **Mineralised area tested to date only covers 20% of the total 430km$^2$ Project area**
- **The extensive lateral continuity and grade consistency underpin Axel's confidence in the emerging gallium resource potential in Area A and Area B**
- **Caladão Project Maiden Gallium and REE Resource progressing with SRK, anticipated release in coming weeks**

| **Area A** | |
|---|---|
| **Gallium Highlights (50g/t cutoff) from surface, including** | |
| CLD-AUG-232 | **15m @ 60g/t $Ga_2O_3$** from surface |
| CLD-AUG-247 | **6m @ 75g/t $Ga_2O_3$** from surface |
| CLD-AUG-248 | **15m @ 58g/t $Ga_2O_3$** from surface |
| **REE Highlights (1,000 ppm cutoff) from surface, including:** | |
| CLD-AUD-233 | **17m @ 6,792ppm TREO** from surface |
| CLD-AUG-228 | **13m @ 5,432ppm** TREO from surface |
| CLD-AUG-251 | **10m @ 4,500ppm** TREO from surface |
| CLD-AUG-255 | **4m @ 3,943ppm** TREO from surface |

| **Area B** | |
|---|---|
| **Gallium Highlights (50g/t cutoff) near surface, including** | |
| CLD-AUG-333 | **12m @ 70g/t $Ga_2O_3$** from 5m |
| *including* | **2m @ 124g/t $Ga_2O_3$** from surface |
| CLD-AUG-393 | **8m @ 88g/t $Ga_2O_3$** from surface |
| CLD-AUG-329 | **8m @ 82g/t $Ga_2O_3$** from surface |
| *including* | **5m @ 95g/t $Ga_2O_3$** from surface |
| CLD-AUG-351 | **16m @ 75g/t $Ga_2O_3$** from surface |
| CLD-AUG-395 | **16m @ 74g/t $Ga_2O_3$** from surface |
| CLD-AUG-338 | **14m @ 70g/t $Ga_2O_3$** from surface |

| | |
|---|---|
| *including* | **2m @ 91g/t $Ga_2O_3$** from surface |
| CLD-AUG-369 | **15m @ 70g/t $Ga_2O_3$** from surface |
| *including* | **5m @ 83g/t $Ga_2O_3$** from surface |
| **REE Highlights (1,000 ppm cutoff) near surface including:** | |
| CLD-AUD-310 | **11m @ 2,718ppm TREO** from 6m |
| CLD-AUG-332 | **9m @ 1,618ppm TREO** from 1m |
| CLD-AUG-342 | **4m @ 1,278ppm TREO** from 8m |
| CLD-AUG-414 | **7m @ 1,711ppm TREO** from 10m |

- **Further high grade results post quarter-end were reported from Area B, confirming it as a stand-out target to potentially define a large high grade gallium resource**

| **Area B** | |
|---|---|
| **Gallium Highlights (using a cutoff of 50g/t) from surface, including** | |
| CLD-AUG-464 | **9m @ 86g/t $Ga_2O_3$** from surface |
| *including* | **4m @ 95g/t Ga2O3** from surface |
| CLD-AUG-468 | **15m @ 83g/t $Ga_2O_3$** from surface |
| *including* | **2m @ 106g/t $Ga_2O_3$** from 1m |
| CLD-AUG-418 | **5m @ 79g/t $Ga_2O_3$** from surface |
| *including* | **3m @ 85g/t $Ga_2O_3$** from surface |
| CLD-AUG-477 | **19m @ 74g/t $Ga_2O_3$** from surface |
| *including* | **5m @ 85g/t $Ga_2O_3$** from surface |
| CLD-AUG-474 | **10m @ 74g/t $Ga_2O_3$** from surface |
| *including* | **3m @ 81g/t $Ga_2O_3$** from surface |
| **REE Highlights (using a1,000 ppm cutoff) near surface including:** | |
| CLD-AUG-447 | **5m @ 4,801ppm TREO** from 15m |
| *including* | **1m @ 7,523ppm TREO** from 15m |
| CLD-AUG-447 | **5m @ 3,087ppm TREO** from 9m |
| *including* | **1m @ 4,771ppm TREO** from 12m |

## Caldas REE Project

- **REE footprint expanded at the highly prospective Caldas Project in the Poços de Caldas (Caldera) that also hosts Meteoric Resources (ASX:MEI) and Viridis Mining and Minerals' (ASX:VMM) major REE deposits**
- **Excellent results from drilling inside the Caldera, with all auger holes ending in high-grade mineralisation, indicating continuity at depth**

| **Caldas REE Highlights (1,000ppm cutoff) near surface, including** | |
|---|---|
| CAL-AUG-022 | **8.8m @ 5,309ppm TREO (26% MREO)** from surface |
| *including* | **1m @ 8,100ppm TREO (29% MREO)** from 4m |
| *ending with* | **0.8m @ 6,289ppm TREO (27% MREO)** from 8m |
| CAL-AUG-024 | **10.8m @ 3,683ppm TREO (32% MREO)** from surface |
| *including* | **1m @ 6,726ppm TREO (38% MREO)** from 6m |

| | |
|---|---|
| *ending with* | **0.8m @ 3,452ppm TREO (32% MREO)** from 10m |
| CAL-AUG-025 | **11.4m @ 3,608ppm TREO (21% MREO)** from surface |
| *including* | **1m @ 7,480ppm TREO (32% MREO)** from 9m |
| *ending with* | **1.4m @ 5,994ppm TREO (32% MREO)** from 10m |

## Corporate

- **Strategic leadership restructure undertaken as Axel transitions from pure play explorer to potential REE and gallium developer**
- **23,000,000 AXLO Options issued to Bell Potter Securities, CPS Capital and Evolution Capital for corporate advisory and investor relations services as the Company progresses through the next phase of development**
- **Maintained strong cash position with $8.7M cash on hand at quarter end**

Axel REE Limited (ASX: AXL, FSE:HN8, "**Axel**" or "**the Company**") is pleased to provide its Quarterly Activities Report for the quarter ending 30 June 2025.

## Exploration Activities for the Quarter

### Caladão REE Project

During the quarter, Axel reported on the continuation of significant at surface gallium and REE assays from primary targets Area A and Area B at its flagship Caladão Project in the Lithium Valley, Minas Gerais in Brazil. The total mineralised drilled area to date spans over 65km$^2$, representing only 20% of the total potential area prospective for gallium and REE mineralisation.

#### High Grade Gallium Intercepts at Area B

Drilling in Area B encountered multiple near-surface gallium-rich zones analogous to those previously identified in Area A. Significant surface auger intercepts reported in the quarter include:

| | |
|---|---|
| CLD-AUG-333 | **12m @ 70g/t $Ga_2O_3$ from 5m** |
| *including* | **2m @ 124g/t $Ga_2O_3$** from surface |
| CLD-AUG-393 | **8m @ 88g/t $Ga_2O_3$** from surface |
| CLD-AUG-329 | **8m @ 82g/t $Ga_2O_3$** from surface |
| *including* | **5m @ 95g/t $Ga_2O_3$** from surface |
| CLD-AUG-351 | **16m @ 75g/t $Ga_2O_3$** from surface |
| CLD-AUG-395 | **16m @ 74g/t $Ga_2O_3$** from surface |
| CLD-AUG-338 | **14m @ 70g/t $Ga_2O_3$** from surface |
| *including* | **2m @ 91g/t $Ga_2O_3$** from surface |
| CLD-AUG-369 | **15m @ 70g/t $Ga_2O_3$** from surface |
| *including* | **5m @ 83g/t $Ga_2O_3$** from surface |

Gallium grades of this tenor (**up to ~124g/t $Ga_2O_3$ at surface**) underscore the exceptional enrichment of the lateritic profile. These high-grade gallium intercepts exhibit remarkable lateral continuity across Area B, contributing to a total mineralised footprint of ~65km$^2$ when combined with Area A. Many holes have

intersected **gallium-bearing clay from surface to 10–17 m depth**, demonstrating consistent grades above 50g/t $Ga_2O_3$ and over substantial thicknesses. Auger drilling is typically limited up to 20m depth, meaning high grade gallium and REE-mineralised holes remain open at depth.

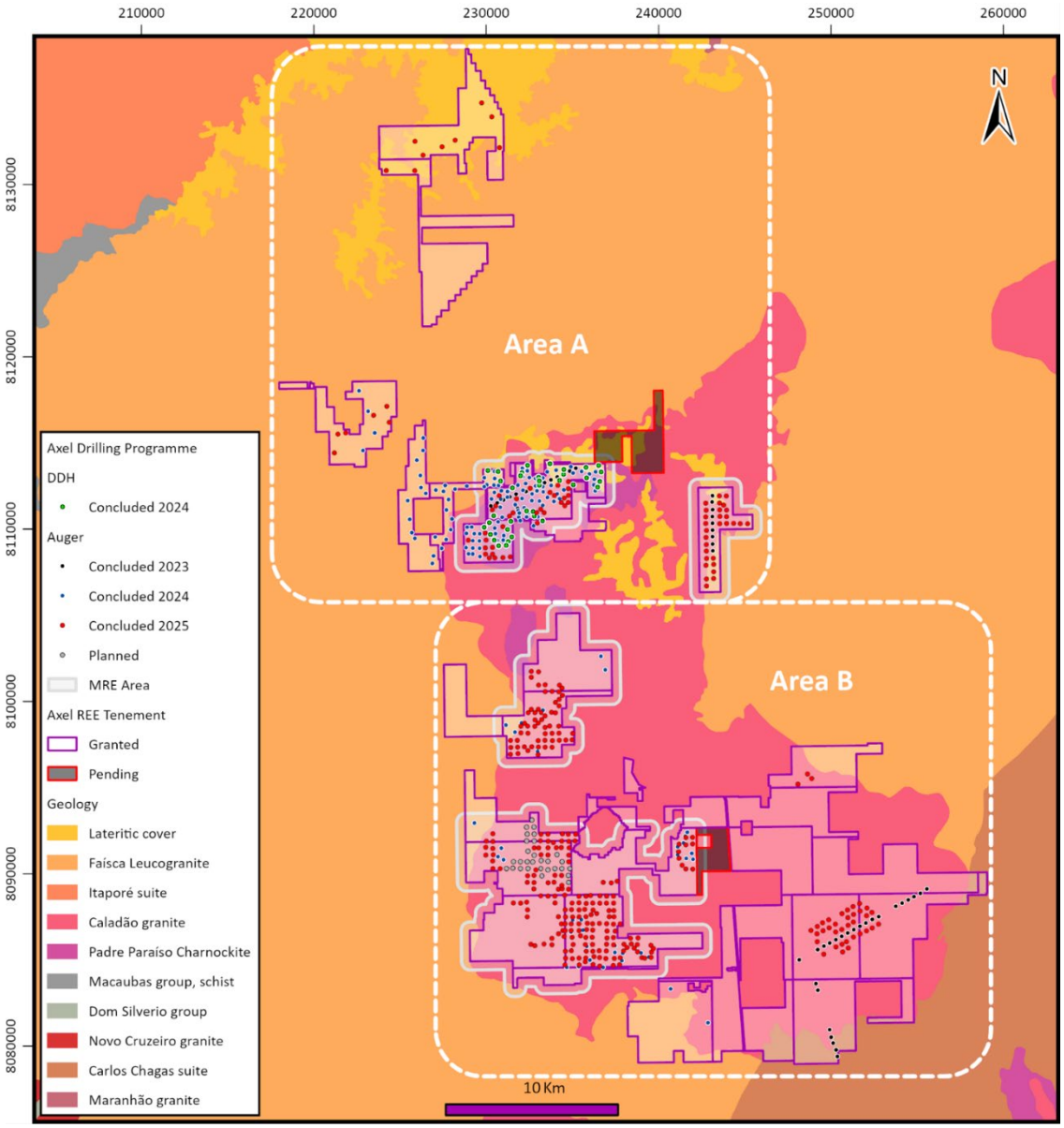


**Figure 1. Caladão Project Area A and Area B (~430km²).**

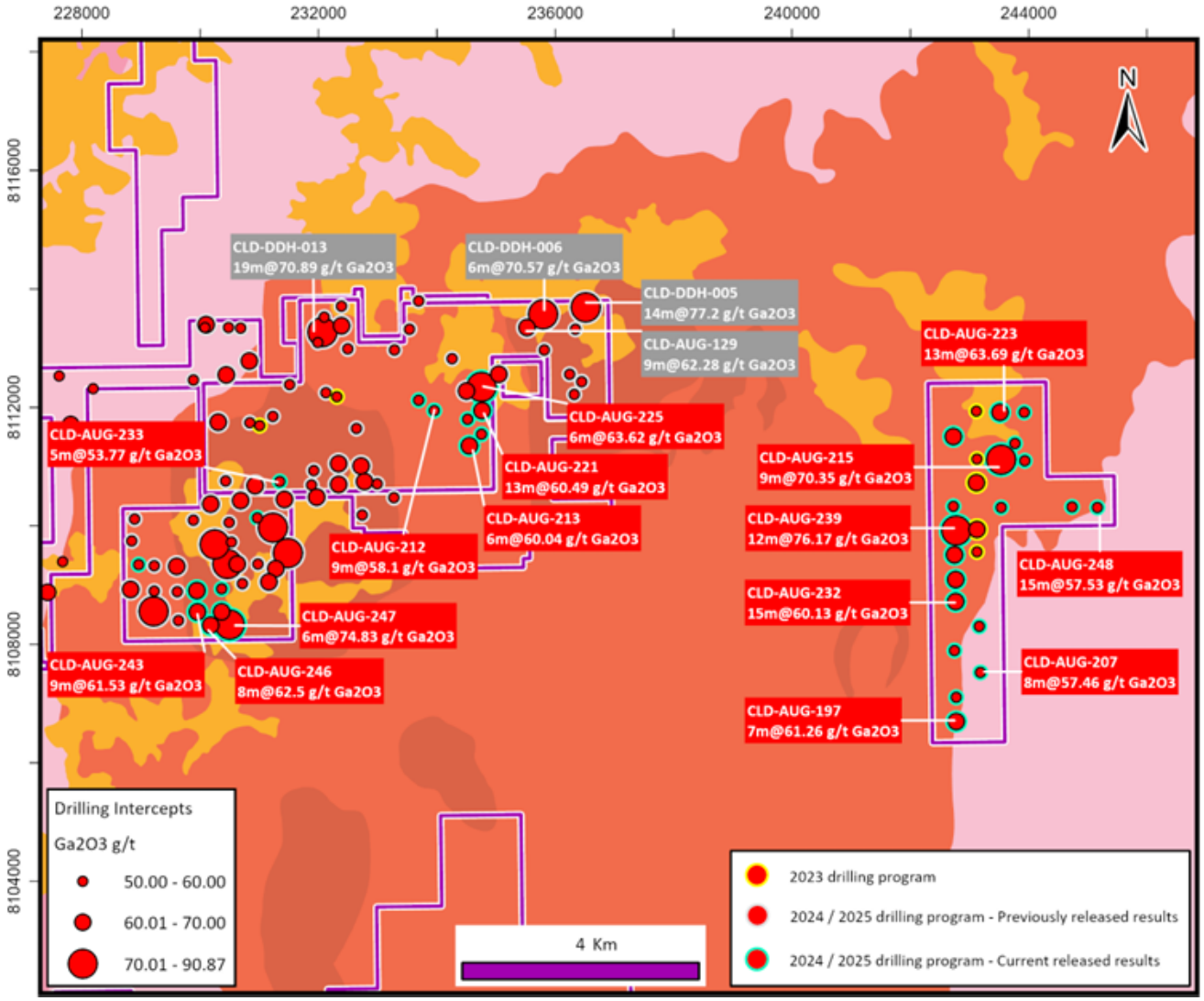


**Figure 2. Geological map of Caladão Area A, highlighting the distribution of Gallium intersections, using a 50 g/t $Ga_2O_3$ cutoff.**

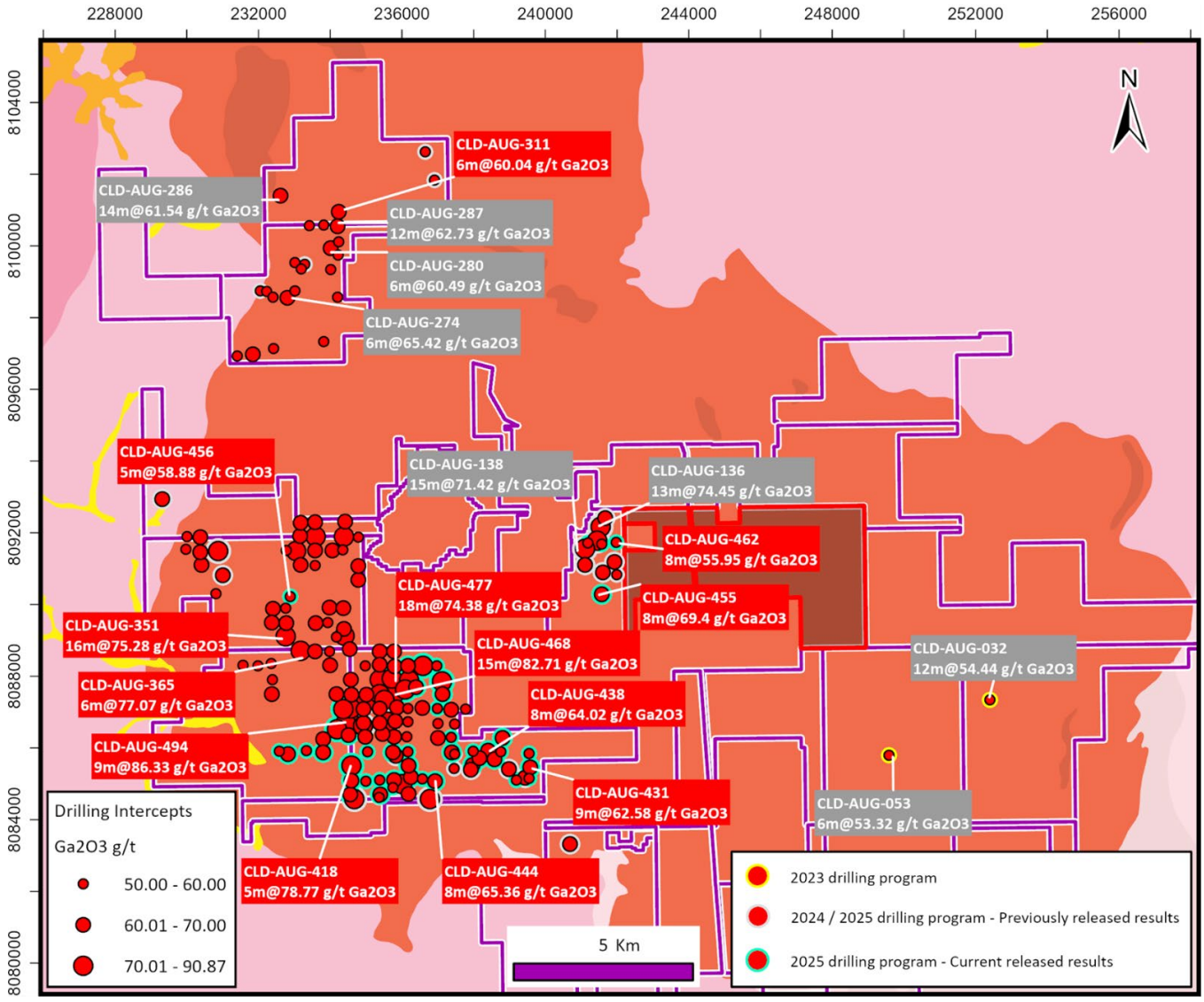


**Figure 3. Geological map of Caladão Area B, highlighting the distribution of Gallium intersections, using a 50 g/t $Ga_2O_3$ cutoff.**

### High Grade REE Continued

REE assays returned in parallel with gallium and continue to reinforce Caladão's significance as a district scale REE project. Auger results include:

| | |
|---|---|
| CLD-AUD-233 | **17m @ 6,792ppm TREO** from surface (Area A) |
| CLD-AUG-228 | **13m @ 5,432ppm** TREO from surface (Area A) |
| CLD-AUG-251 | **10m @ 4,500ppm** TREO from surface (Area A) |
| CLD-AUG-255 | **4m @ 3,943ppm** TREO from surface (Area A) |
| CLD-AUD-310 | **11m @ 2,718ppm TREO** from 6m (Area B) |
| CLD-AUG-332 | **9m @ 1,618ppm TREO** from 1m (Area B) |
| CLD-AUG-342 | **4m @ 1,278ppm TREO** from 8m (Area B) |
| CLD-AUG-414 | **7m @ 1,711ppm TREO** from 10m (Area B) |

These REE intercepts, which are spatially associated with the gallium-rich horizons, confirm that Caladão hosts a dual gallium–REE laterite system of economic interest. The REE distribution features a meaningful proportion of magnet rare earths (Nd, Pr, Dy, Tb), adding strategic value to the potential resource.

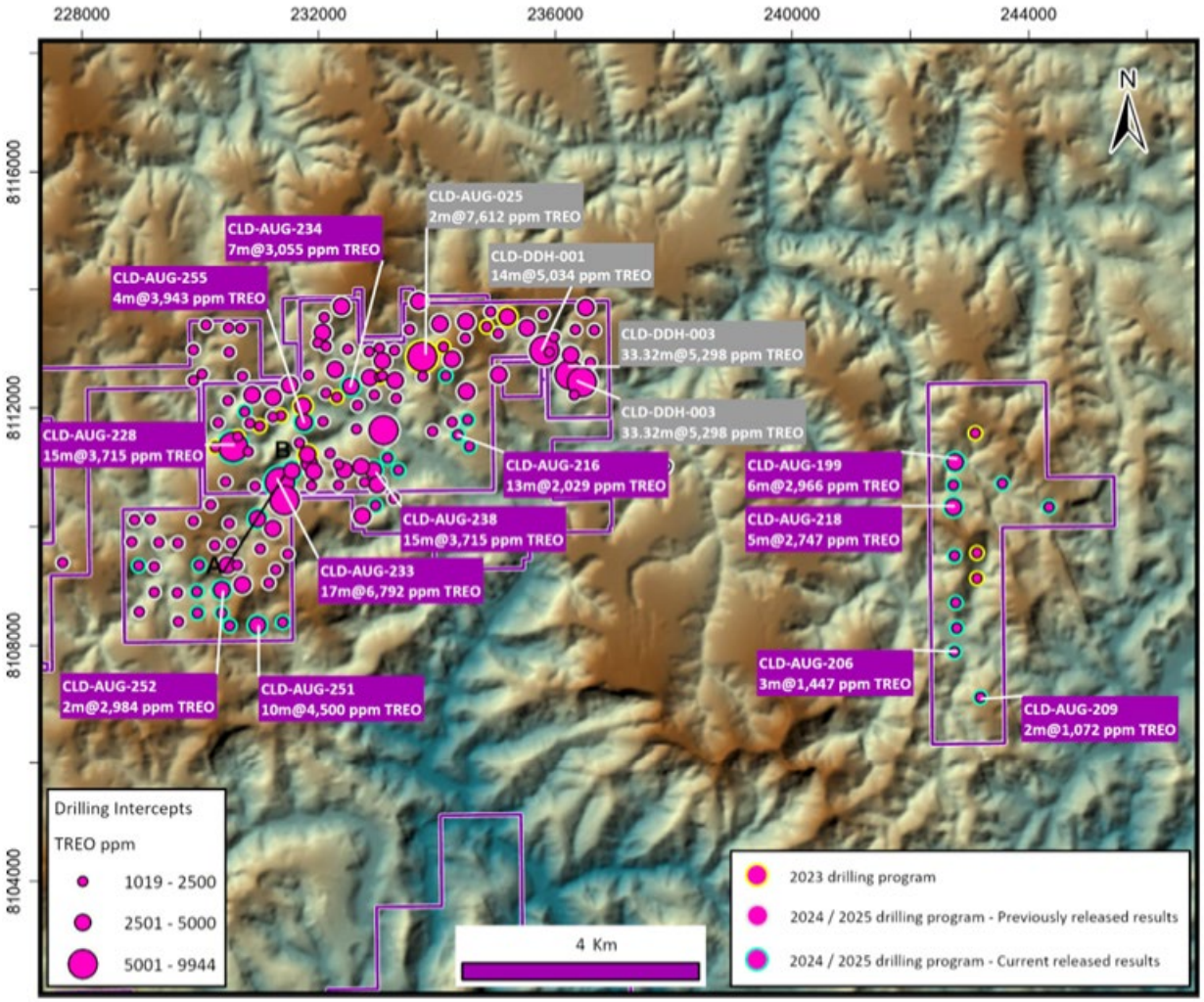


**Figure 4. Distribution of TREO intercepts at Area A over Digital Elevation Model.**

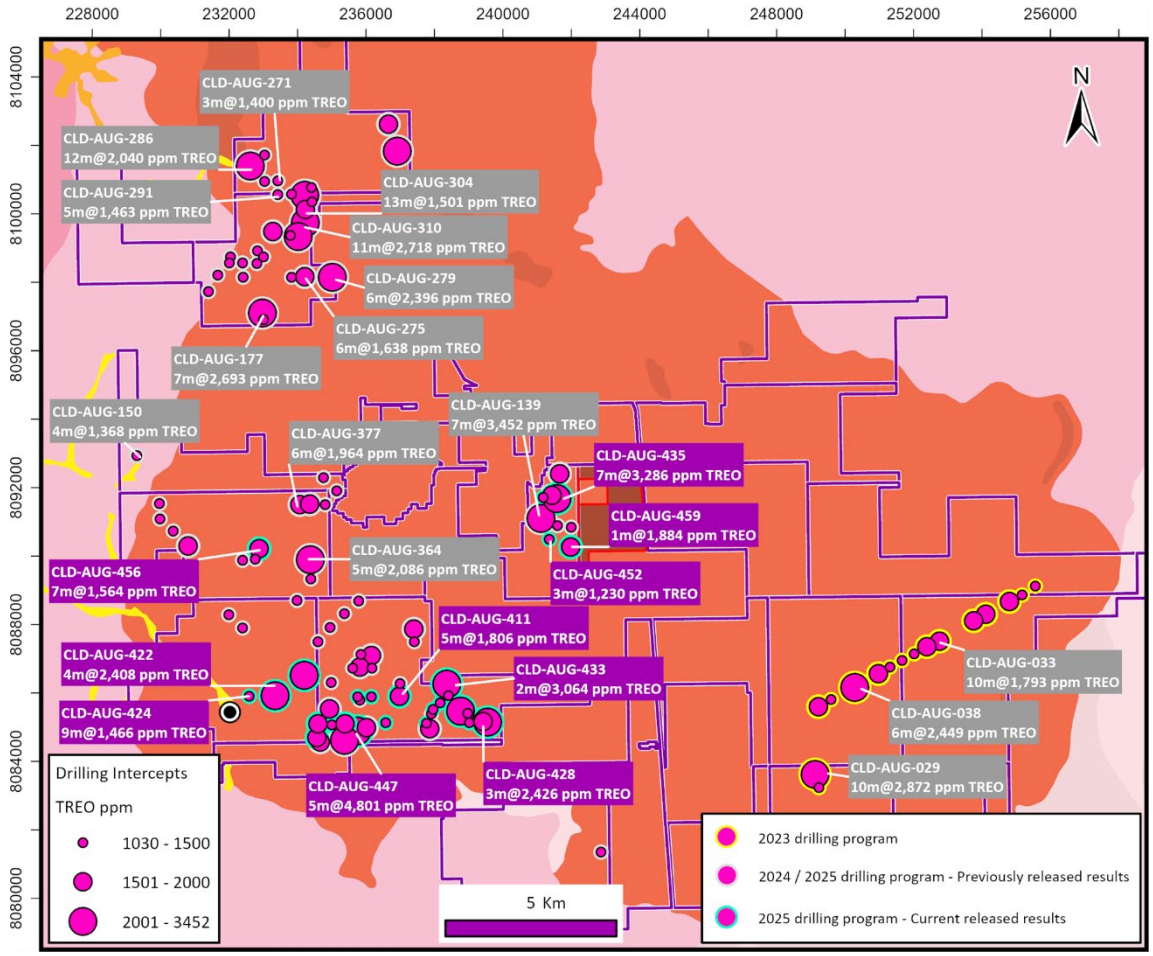


**Figure 5. Distribution of TREO intercepts at Area B over Geological map.**

The current Mineral Resource Estimate (**MRE**) calculation at Area A for gallium and REE is progressing, with the final report from SRK expected to be delivered in the coming weeks.

Auger drilling at the Caladão Project continues with 597 holes for 8,449 metres drilled to date. All completed auger samples have been forwarded to the SGS laboratory, with assay results continuing to arrive in successive batches, which will support the definition of a second MRE for gallium alongside REE at Area B.

## ANSTO Metallurgical Test Work Confirms Strong Preliminary Recoveries of REE and Gallium

Post quarter-end, Axel reported that the first metallurgical diagnostic test work completed at ANSTO on 3 meter composites from 2 diamond holes, **2 km apart** (Figure 6) successfully leached ionic adsorption clay rare earths (**IAC**) by standard ammonium sulphate (**AMSUL**) leach at pH 4 for 30 min with similar recoveries using NaCl under the same conditions.

Acid leach tests were conducted on diamond drill holes DDH-018 and DDH-036 and in a composite with gallium, with promising results to recover both IAC REE (DDH-018) and REE from the primary and secondary REE minerals (DDH-036), as well as gallium, under acid leach conditions (Figure 7).

Due to the significant distance between the two holes tested and large-scale REE-Gallium project area (over >65km$^2$), the metallurgical results from these two holes can not be extrapolated across any area in the

project at this stage and only represent a style of REE mineralisation in the immediate vicinity to each sampled hole.

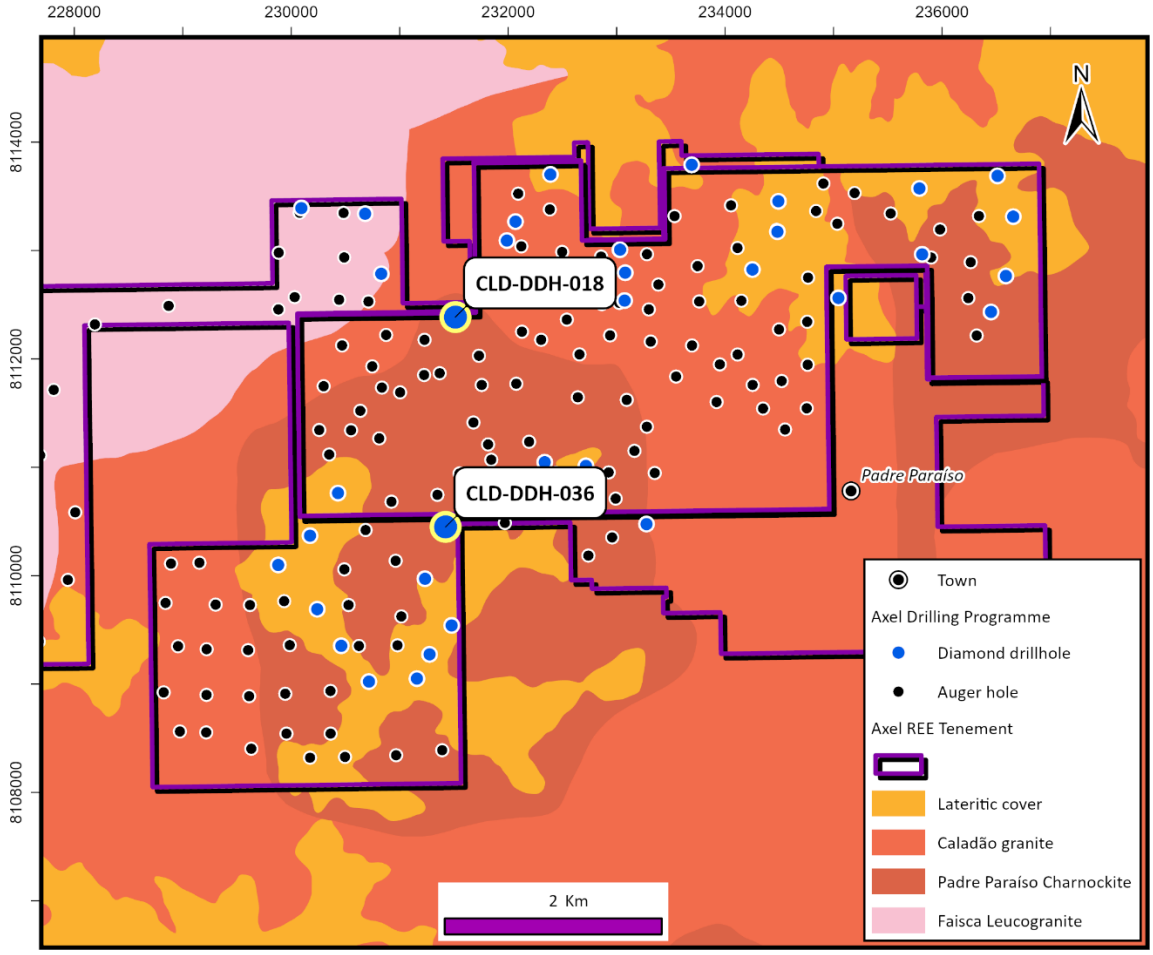


**Figure 6 - Map of central Area A with location of DDH-018 and DDH-036.**

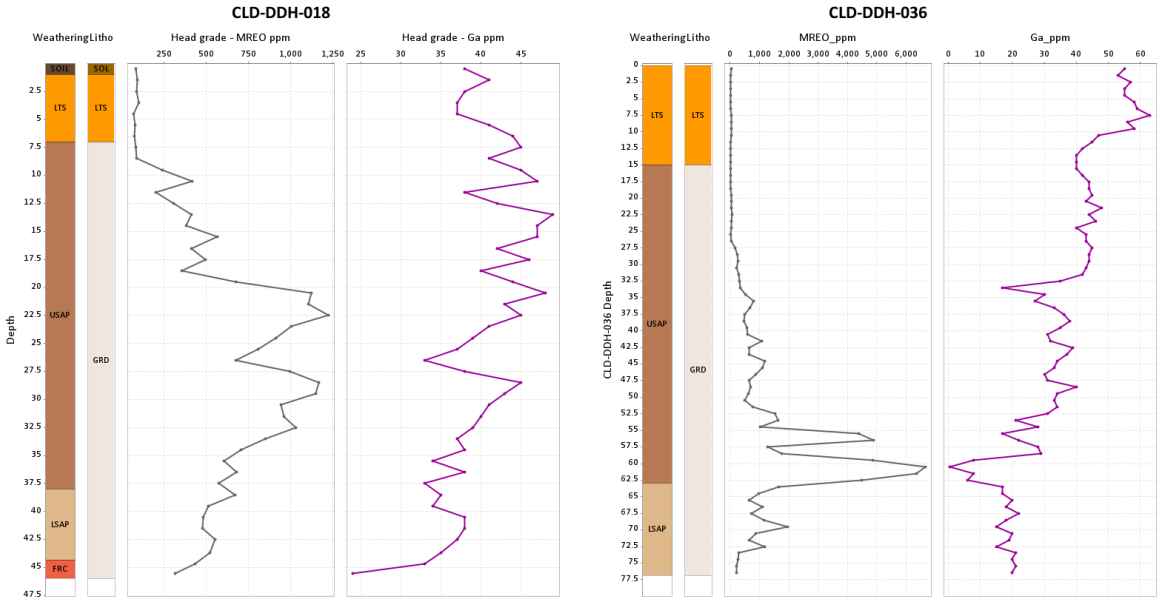


**Figure 7 – Strip log of DDH-18 and DDH-36**

A high average grade of 395ppm MREO remained in primary or secondary mineral phases mixed with clays that contained high Dy and Tb grades that could be recovered under a varied acid condition.

Extraction of magnetic REEs increased with depth up to 35m proportional of desorbable REE with depth for CLD-DDH-018 hole.

Desorption tests were conducted also by 1.5M NaCl solution on 6 selected composites from hole DDH-018, with results similar to the ammonium sulphate leachate, which is relevant as NaCl is easy to source in Brazil and a potentially cheaper alternative.

| SampleID | Head Grade | Ammonium Recovery | | NaCl Recovered | |
|---|---|---|---|---|---|
| | MREO ppm | MREO ppm | MREO % | MREO ppm | MREO % |
| CLD-COMP-007 | 796 | 314 | 39.5 | 323 | 40.6 |
| CLD-COMP-008 | 594 | 287 | 48.2 | 312 | 52.4 |
| CLD-COMP-009 | 665 | 287 | 43.2 | 300 | 45.1 |
| CLD-COMP-010 | 688 | 228 | 33.1 | 204 | 29.7 |
| CLD-COMP-011 | 641 | 270 | 42.2 | 270 | 42.2 |
| CLD-COMP-012 | 409 | 136 | 33.2 | 146 | 35.7 |
| **Average** | **632** | **254** | **39.9** | **259** | **41.0** |

**Table 1 - Ionics recovered by NaCl and AMSUL leaching test on diamond drillhole CLD-DDH-018.**

Exceptional nominal average recovered grade of 259ppm MREO for 41% recovery using NaCl on 18 meters of hole DDH-018.

The DDH-036 did not show significant IAC REE in the leaching test at pH 4, retaining exceptional high average MREO grades up to 1,125ppm MREO in the primary or secondary mineral phases within the saprolite. The exceptional values of Dy and Tb up to 139ppm with high Yttrium in this hole demonstrated a significant heavy REE (**HREE**) mineralisation style.

Additional tests were conducted in four selected samples from DDH-036 for leaching at higher acidity to improve REE recovery (Figure 8). Leach tests were conducted at 4wt% slurry density on pulverized ore in 0.5M (NH4) 2SO4 at room temperature. The pH was decreased from pH 1.5 (for 1 h) and then to pH 1. The test was then maintained at pH 1 for 5 days.

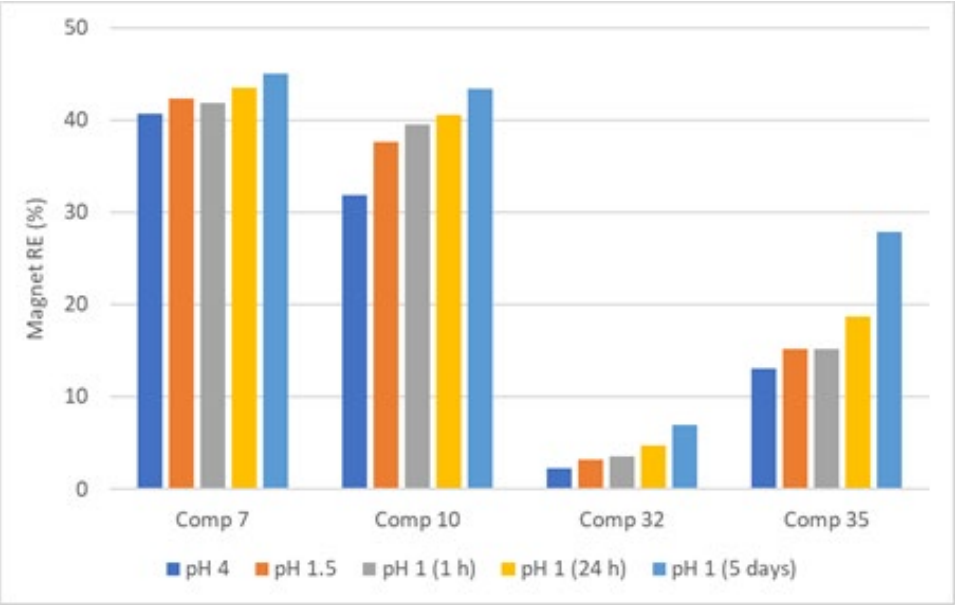


**Figure 8 - Acid leaching progress for Magnet REE.**

Magnet extraction from composite 35 from hole DDH-036 had a steady increase in recovery under acid leaching achieving 28% recovery after 5 days, opening a new front to recover REE from non-ionic REE mineralisation at the Caladão project.

### Gallium Opportunity

Axel's gallium zones, unexpectedly rich and now confirmed recoverable by acid leach, may position the Company to become a significant supplier of this globally critical, high-value metal.

Unlike traditional gallium producers (residues from bauxite or sphalerite/zinc ores), Caladão's gallium is hosted in weathered laterite over granite, reflecting a novel and attractive geochemical context. The presence in the soils and saprolite environment offers potential for hydrometallurgical extraction, via acid leach, in conjunction with the REE, generating gallium as a co-product alongside REE - an uncommon and cost-effective dual-commodity strategy.

Initial testing indicates up to 25% gallium recovery via acid leaching, underscoring significant potential for supergene-enriched gallium production. The acid leach method demonstrated that gallium extraction significantly increases with acidity and longer leach duration, indicating further optimisation potential.

This initial recovery highlights the project's potential for a dedicated gallium production stream, complementing the extraction of rare earth elements and enhancing overall project economics.

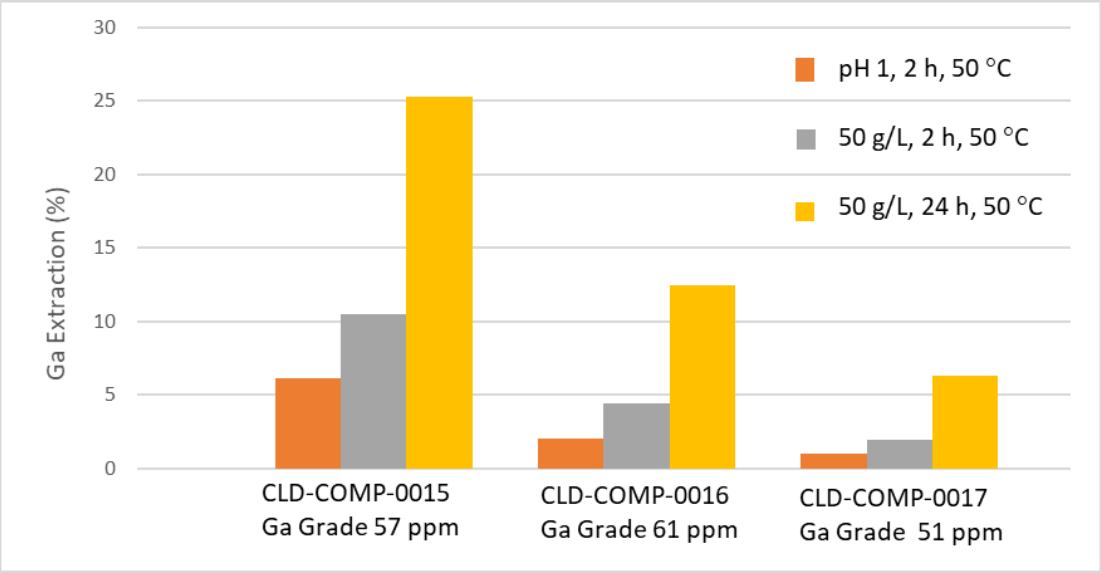


**Figure 9 - Acid leaching progress for gallium.**

Axel is reviewing the potential for a simple two-stage heap leach process utilising readily available reagents (NaCl or ammonium sulfate). The first stage at pH 4 and the second one increasing the acidity to extract additional REE and gallium. This novel approach may significantly lower environmental impacts and operational costs, aligning with global ESG standards.

The proposed heap leach process requires **no drilling, blasting, crushing, or milling, and no tailings dam**, greatly reducing environmental impact and capital expenditure requirements. The process to collect the Pregnant Leach Solution (**PLS**) is gravity-fed, with PLS flowing naturally from the various leach pads in the plateaus to a central processing plant - enhancing operational simplicity and sustainability.

Further work will include:

- Finalisation of maiden JORC Inferred Resource Estimate for Area A in the coming weeks;
- Development of two-stage heap leach processing flowsheet at ANSTO for both IAC REE and gallium;
- Metallurgical testing for alternative processes to recover the proportion of non-ionic REE;
- Ongoing gallium-focused metallurgical testing at CETEM;
- Infill drilling to support resource classification upgrade;
- Commencement of baseline environmental studies to expedite project permitting.

Axel also engaged Brazil's national mineral technology research centre, Centro de Tecnologia Mineral (**CETEM**), to conduct a detailed characterization and concentration study of gallium-bearing material from the Company's Caladão Project. The study will focus on evaluating the use of magnetic separation techniques to concentrate gallium, a critical metal of growing global strategic importance.

## Caldas REE Project

The Caldas REE Project, located in the highly prospective Poços de Caldas Alkaline Complex (**Caldera**), a world-class REE intrusive in the southwest region of the State of Minas Gerais, comprises 232 $km^2$ of granted exploration licenses and exploration license applications.

This unique Caldera has a diameter of over 30 km and hosts globally significant IAC REE discoveries including Meteoric Resources NL (**ASX:MEI**) and Viridis Mining & Minerals Limited's (**ASX:VMM**) world class REE deposits.

### Augur Drilling Continues to Deliver High Grade REE Results

During the quarter, the Company expanded its Caldas Project REE footprint with further encouraging results received from its shallow auger drilling conducted both inside and around the northern extents of the Caldera.

The program tested multiple prospects inside the Caldera and along its northern prospects along weathered profiles developed over two key lithologies - the Botelhos leucogranite and the São João da Mata gneissic complex, both of which exhibit characteristics favourable for REE enrichment and potential ionic adsorption style mineralisation.

Best results included:

| | |
|---|---|
| CAL-AUG-022 | **8.8m @ 5,309ppm TREO (26% MREO)** from surface |
| *including* | **1m @ 8,100ppm TREO (29% MREO**) from 4m |
| *ending with* | **0.8m @ 6,289ppm TREO (27% MREO)** from 8m |
| CAL-AUG-024 | **10.8m @ 3,683ppm TREO (32% MREO)** from surface |
| *including* | **1m @ 6,726ppm TREO (38% MREO)** from 6m |
| *ending with* | **0.8m @ 3,452ppm TREO (32% MREO)** from 10m |
| CAL-AUG-025 | **11.4m @ 3,608ppm TREO (21% MREO)** from surface |
| *including* | **1m @ 7,480ppm TREO (32% MREO)** from 9m |
| *ending with* | **1.4m @ 5,994ppm TREO (32% MREO)** from 10m |

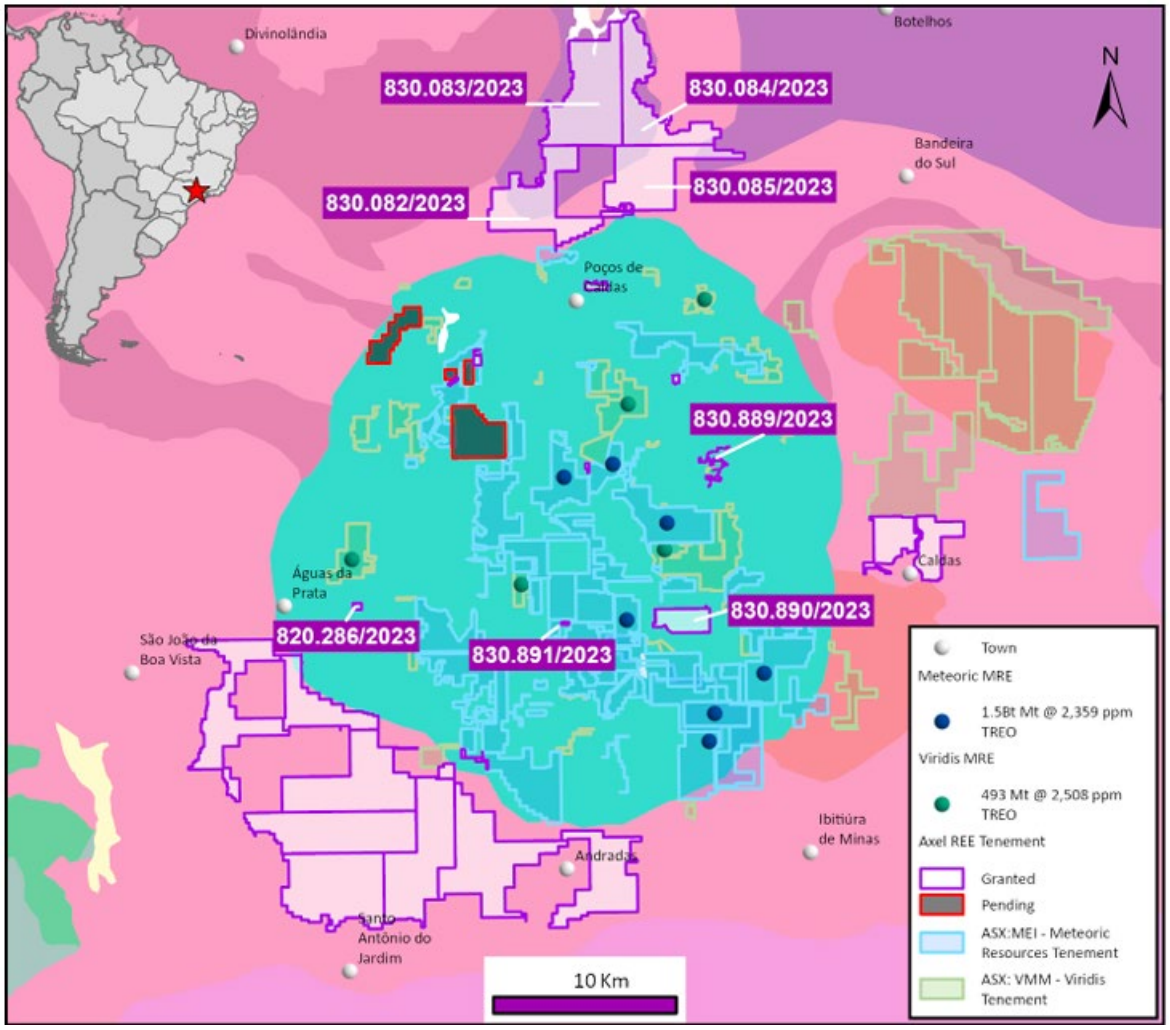


**Figure 10. Location Map of the Caldas project tenements inside and outside the Caldera**

The first phase of the Caldas Project auger drill program confirmed high grade mineralisation across prospects both inside and along the weathered contact point of the Caldera.

The mineralised zone is interpreted to remain open along strike and across the broader weathered profile.

Axel's extensive tenure along the northern, southern, and eastern margins of the Caldera offers kilometres of underexplored ground, directly contiguous with these early intercepts, positioning Axel to significantly expand its rare earth footprint and build a district-scale exploration portfolio focused on potentially leachable clays enriched in magnetic rare earths at Caldas.

### Targets inside the Caldera

Assays reported during the quarter from 20 auger holes returned mineralised intervals, **averaging 3,229ppm TREO and 100% of assays returning above the cutoff 1,000ppm TREO** (1m interval assays). The intercepts identify thick, high-grade clay-hosted mineralisation at Caldas, over 20 metres in width, remaining open at depth.

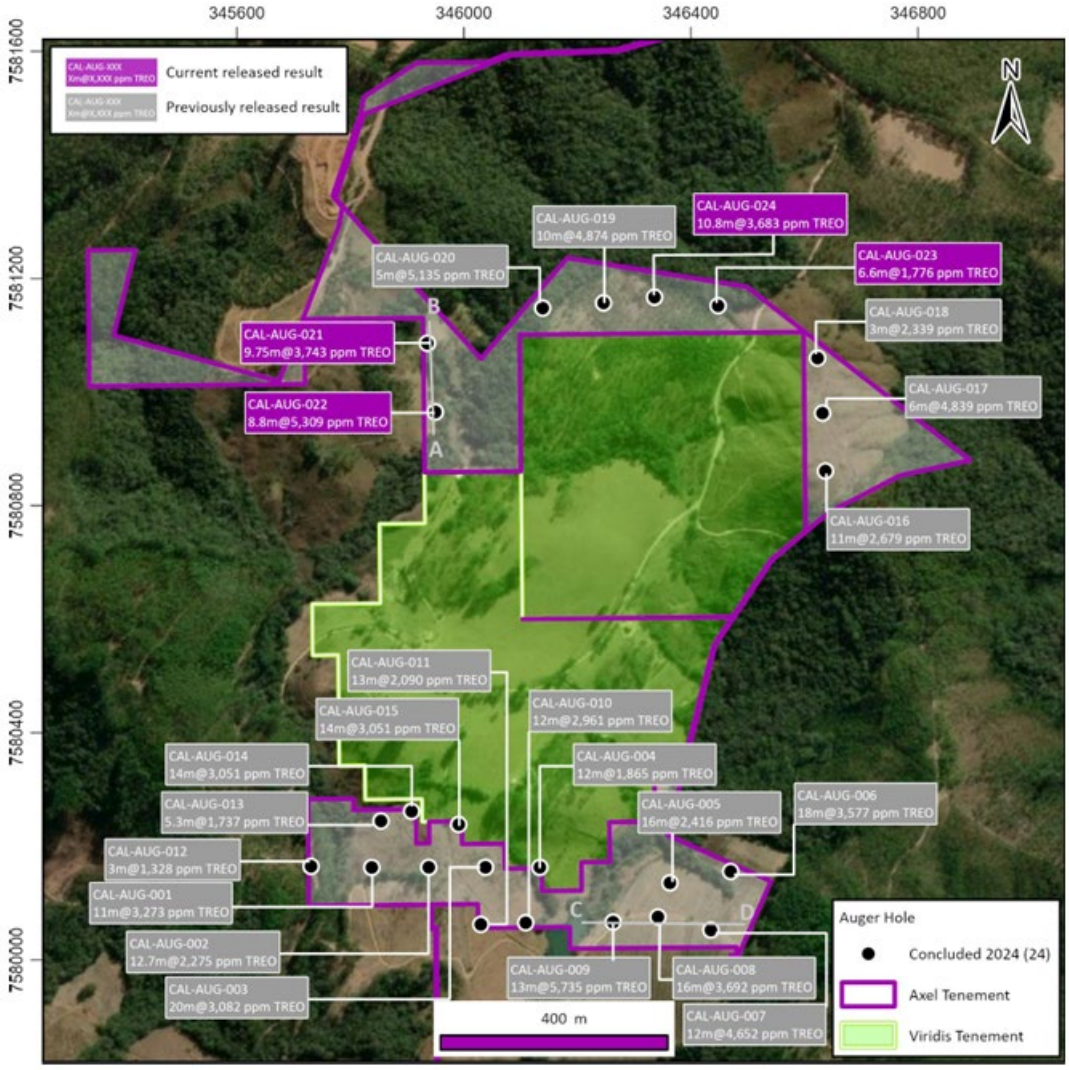


**Figure 11. Assay results of tenement 830.889/2023.**

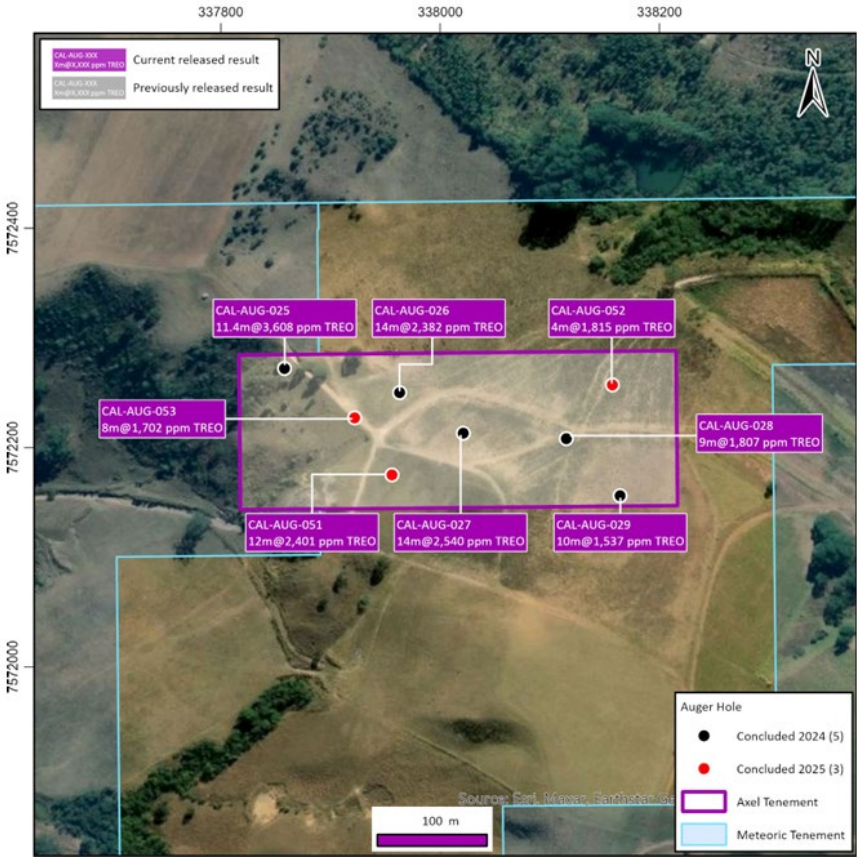


**Figure 12. Assay results of tenement 830.891/2023.**

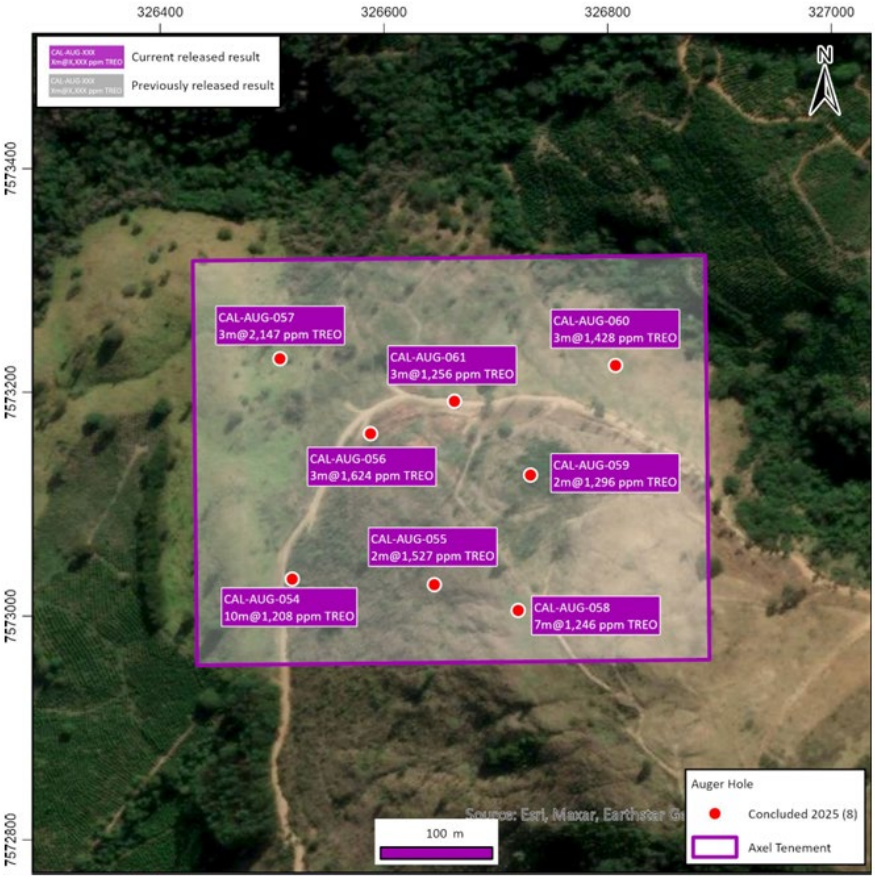


**Figure 13. Assay results of tenement 820.286/2023.**

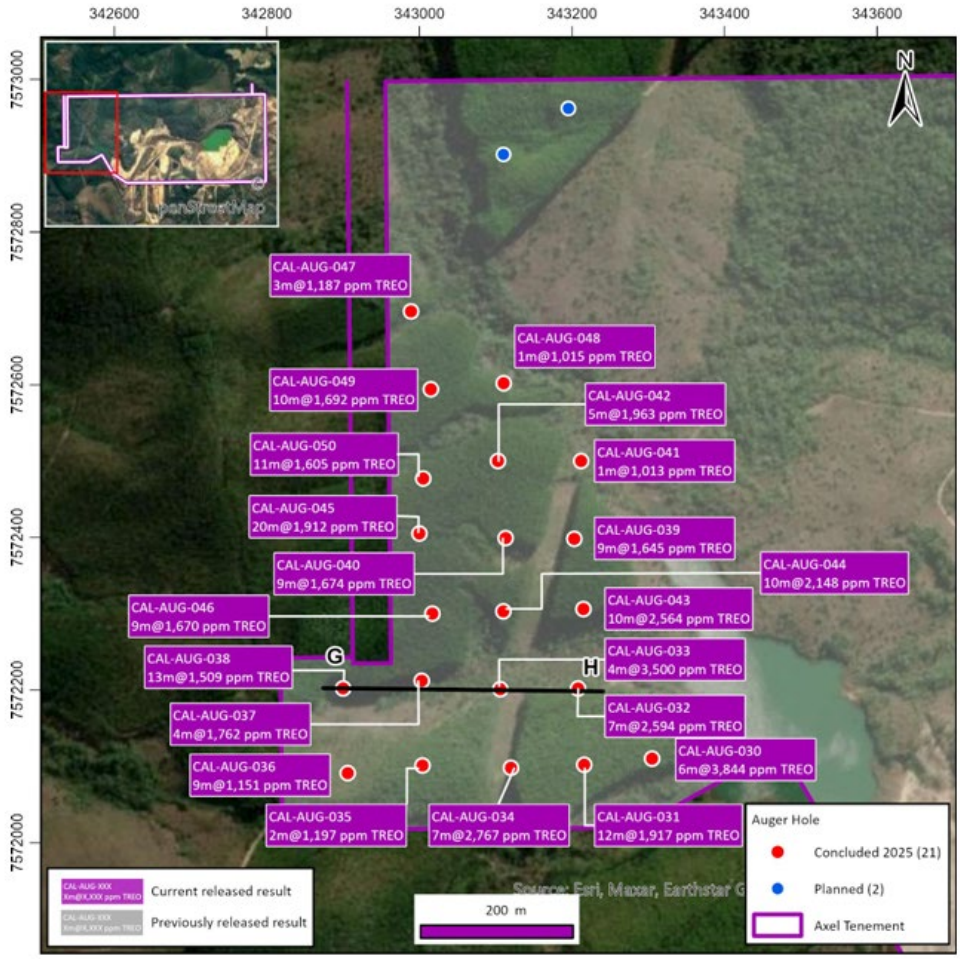


**Figure 14. Assay Results of tenement 830.890/2023.**

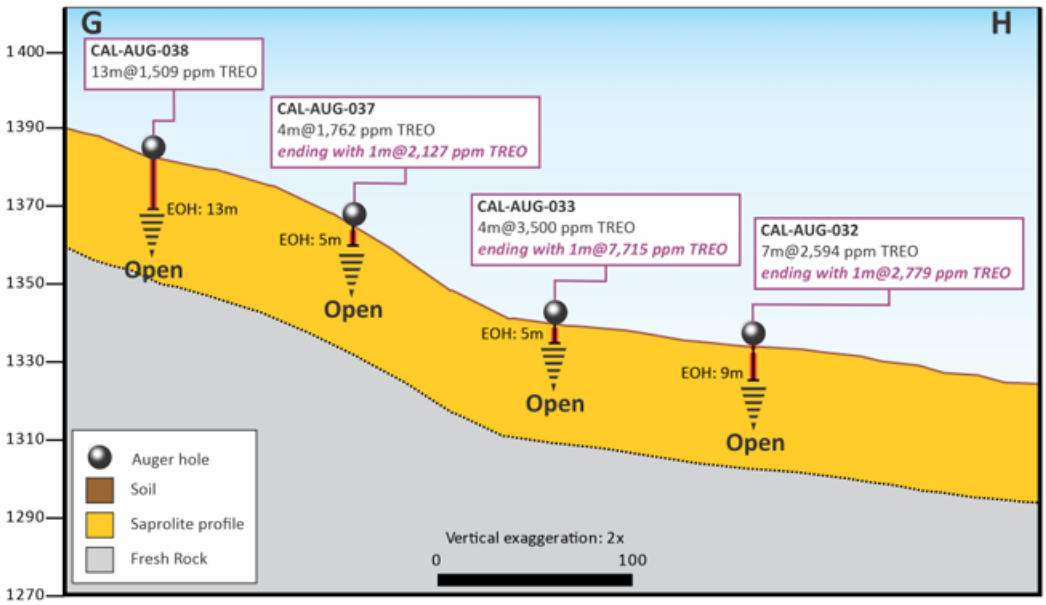


**Figure 15. Cross-section of auger drill prospects inside the Caldera, showing REE mineralisation remains open at depth.**

### Targets Along the Caldera Contact

Results returned from along the northern contact zone confirmed the presence of potentially ionic-adsorption type REE mineralisation, particularly over the granitic Botelhos unit, where weathering has led to clay-hosted enrichment in valuable LREE and HREE.

The presence of high MREO percentages underscores the economic relevance of these results, particularly for the permanent magnet supply chain.

The geological setting comprises:

- **Botelhos leucogranite**: A biotite-rich, syenogranitic to granodioritic unit with mylonitic deformation, containing quartz, perthitic microcline, plagioclase, and biotite — favourable for REE-bearing minerals such as monazite and allanite; and
- **São João da Mata gneissic complex**: Migmatitic, granodioritic to granitic, composed of plagioclase, quartz, K-feldspar, biotite, and amphibole.

Both units have undergone tropical to subtropical weathering, promoting the leaching of primary REE phases and the development of adsorbed REE clays in the saprolite horizon — a key characteristic of economic ionic clay-style REE deposits.

Key intercepts along the Caldera contact include:

| | |
|---|---|
| CAL-AUG-071 | **6 metres @ 1,320 ppm TREO, (30% MREO)** |
| CAL-AUG-069 | **12 metres @ 1,300 ppm TREO (27% MREO)** |
| CAL-AUG-068 | **1 metre @ 1,218 ppm TREO (27% MREO)** |

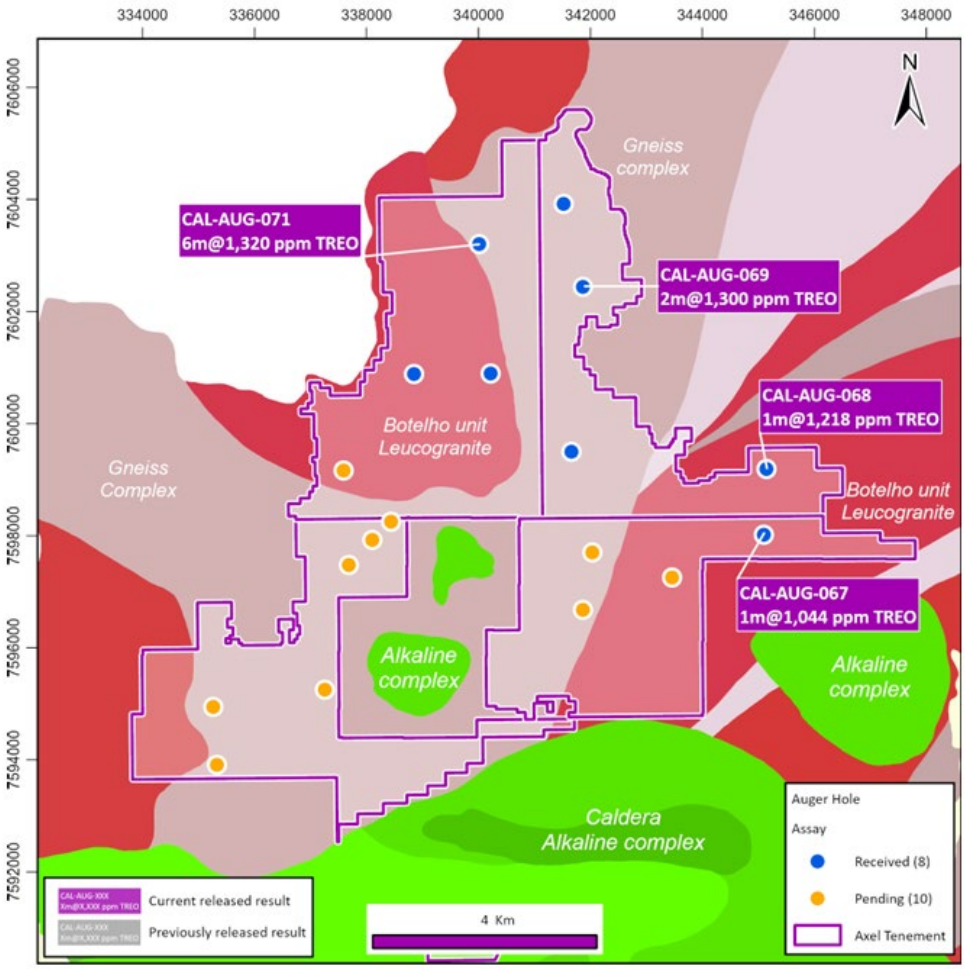


**Figure 16. TREO results of the Northern Caldera tenements.**

**Figure 17. Shallow mineralised interval in auger hole CAL-AUG-071 with 1m @ 1,458ppm TREO from 2m, with 31% MREO.**

## Corporate

### Cash Position

The Company remains fully funded to execute its exploration strategy with $8.7M in cash on hand at 30 June 2025.

### Strategic Leadership Transition

In May, Axel advised that it had undertaken a corporate and management restructure owing to the Company transitioning from a pure explorer to a potential developer of REE and gallium at the Caladão Project.

The focus of the restructure is to strengthen operational capacity in Brazil, maximising the drilling potential at Caladão, while introducing and building its Australian-based leadership to guide the Company through the next phase of growth.

As such the following changes were implemented:

- Dr Fernando Tallarico has tendered his resignation as Managing Director of the Company, effective 31 May 2025
- Appointment of Mr Antonio de Castro as consulting Chief Geologist and Competent Person, overseeing geological interpretations, JORC resource estimation and technical reporting
- Appointment of Mr José Roberto Souza as Operations Manager – Brazil, responsible for the ongoing field programs and exploration strategy
- Initiation of an executive search process for an Australian-based Managing Director with a proven track record in project development, mine permitting, offtake negotiations and capital markets

These changes reflect Axel's strategic transition, with the Company currently advancing its maiden JORC (2012) Mineral Resource Estimation for REE and gallium, and metallurgical testwork to determine the optimal economic extraction pathways and project feasibility.

### Conferences

Axel presented at the Tribeca Future Facing Conference in Singapore in April. A copy of the presentation can be viewed on the Company's website.

In May, the Company released a Gallium focused presentation pertaining to the Caladão Project at the RIU Sydney Resources Round-Up which can be viewed on the Company's website.

### Issue of Options

During the quarter, the Company issued 20,000,000 AXLO listed options to Bell Potter Securities Limited (**Bell Potter**) and CPS Capital Pty Ltd (**CPS**), and a further 3,000,000 AXLO to Evolution Capital Pty Ltd (**Evolution**). The securities were issued for the provision of corporate advisory and investor relations services by Bell Potter and CPS (24 months) and Evolution (12 months).

The engagement of these firms is intended to support the next phase of project development, with a focus on enhancing investor engagement and pursuing offtake and strategic partnership opportunities across Europe, Asia, and the United States, while preserving the Company's strong cash position.

## 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 $699,035.

### 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.

Following a review of the prospectivity of the Itiquira and Corrente REE tenements, and in line with the Company's strategic focus on developing the Caladão REE-Gallium Project and progressing the Caldas REE Project, the Company determined to relinquish the Itiquira and Corrente Project licences.

For the purpose of ASX Listing Rule 5.3.3, details of the tenements held by Company are set out at Schedule 1.

### 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 | 2.13 | (7.52) |
| Expenses of the Offer | 1.14 | 1.10 | (0.04) |
| General and administration costs | 2.51 | 1.63 | (0.88) |
| Working capital | 0.52 | 0.07 | (0.45) |
| **Total** | **13.82** | **4.93** | **(8.89)** |

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.
- 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, including progressing the current exploration programs at the flagship Caladão REE-Gallium Project and Caldas REE Project.

## 5.3.5.

For the purpose of ASX Listing Rule 5.3.5, the Company made payments of approximately $123,395 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:**

**Axel REE Limited**
investors@axelreelimited.com.au

**Investor & Media Relations**
awillis@nwrcommunications.com.au

### About Axel REE

**Axel REE** is an exploration company which is primarily focused on exploring the Caladão REE-Gallium and Caldas REE Projects in Brazil. Together, the project portfolio covers over 1,000km$^2$ 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 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 announcement that relates to Exploration Results and Metallurgy and Metallurgical Test Work is based on and fairly represents information and supporting documentation compiled by Mr Antonio de Castro, BSc (Hons), MAusIMM, CREA who acts as AXEL´s Senior Consulting Geologist through the consultancy firm, ADC Geologia Ltda. Mr. de Castro has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the reporting of exploration results and analytical and metallurgical test work he is undertaking 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" (the JORC Code). Mr Castro consents to the inclusion in the announcement of the matters based on his 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 in this announcement that relates to exploration results is extracted from:

- AXL ASX release 30 July 2025, *"Ionic Clays Confirmed From Initial Met Tests at Caladao"*
- AXL ASX release 16 July 2025, *"High Grade Gallium Intercepts Continue at Caladao Project"*
- AXL ASX release 10 June 2025, *"Exceptional Gallium Mineralisation Continues into Area B"*
- AXL ASX release 30 May 2025, *"Axel Undertakes Strategic Leadership Transition"*
- AXL ASX release 20 May 2025, *"Significant REE Results Expand Caldas Project's Footprint"*
- AXL ASX release 8 May 2025, *"Gallium-REE Presentation - RIU Sydney Resources Roundup"*
- AXL ASX release 6 May 2025, *"Strong Gallium and REE Intercepts Continue at Caladao"*
- AXL ASX release 9 April 2025, *"Tribeca Future Facing Commodities Presentation – amended"*

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 30 June 2025

| Tenement Number | Area (ha) | Holder | Location | Interest[1] | Expry 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 |
| 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 |

| Tenement Number | Area (ha) | Holder | Location | Interest[1] | Expry Date |
|---|---|---|---|---|---|
| 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 |
| 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 |
| 830460/2023 | 1,435.97 | Axel REE Ltda | Minas Gerais | 100% | 11-Mar-2028 |
| 833341/2023 | 1,130.70 | 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 |
| 866055/2023 | 9,753.55 | Axel REE Ltda | Mato Grosso | 100% | Cancelled |
| 866054/2023 | 9,944.86 | Axel REE Ltda | Mato Grosso | 100% | Cancelled |
| 866052/2023 | 9,989.08 | Axel REE Ltda | Mato Grosso | 100% | Cancelled |

[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** | **Quarter ended ("current quarter")** |
| 50 665 921 273 | 30 JUNE 2025 |

| | **Consolidated statement of cash flows** | **Current quarter $A'000** | **Year to date 12 months $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (699) | (2,033) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (19) | (38) |
| | (e) administration and corporate costs | (259) | (1,631) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 17 | 259 |
| 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** | **(960)** | **(3,560)** |

| | | | |
|---|---|---|---|
| **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 12 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) | (3,560) |
| 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 |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date 12 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** | **8,715** | **8,715** |

| 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 | 8,715 | 9,675 |
| 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)** | **8,715** | **9,675** |

| 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 | (122) |
| 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.*

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **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) | (960) |
| 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) | (960) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 8,715 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 8,715 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 9.07 |

*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.*

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

| | |
|---|---|
| 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.

31 July 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.