WIDESPREAD HIGH-GRADE REE CONFIRMED AT FLAGSHIP CALADÃO PROJECT

HIGHLIGHTS:

- Channel sampling program over a linear 8km (East-West) area confirms continuous high-grade TREO mineralisation at the flagship Caladão Project in the Lithium Valley
- Over **40% Magnetic Rare Earth Oxides** (**MREO**) proportion of TREO with an average of **32% MREO** across 8km of sampling supports the potential for Caladão to be a **district-scale high-grade discovery**
- Assays received from seven channel samples taken from inactive artisanal mines returned exceptional high-grade TREO and MREO widths:

CLDCHN 001:	**15m @ 3,784ppm TREO (34% MREO)**
CLDCHN 002:	**15m @ 2,013ppm TREO (30% MREO)**
CLDCHN 003:	**15m @ 1,564ppm TREO (22% MREO)**
CLDCHN 004:	**20m @ 3,128ppm TREO (29% MREO)**
CLDCHN 005:	**30m @ 5,568ppm TREO (40% MREO)**
CLDCHN 006:	**30m @ 5,742ppm TREO (39% MREO)**
CLDCHN 007:	**40m @ 3,019ppm TREO (28% MREO)**

- Mineralisation occurred in weathered saprolites
- Channel sampling results further confirm the widespread and laterally persistent REE mineralisation covering the entire ~30km^2 drilled zoned completed to date, representing less than 10% of the total Caladão Project target area
- The 20,000m drill campaign continues, with results progressively being released once received

Axel REE Limited (**ASX: AXL**, "**Axel**" or "**the Company**") is pleased to announce its horizontal channel sampling program recently completed at the Company's flagship Caladão REE Project located in the Lithium Valley region of Minas Gerais, Brazil, has returned consistently high-grade total rare earth oxide (**TREO**) assay results and significantly high proportions of magnetic rare earth oxides (**MREO**) up to 41% MREO/TREO. The channel sampling results further confirm that the high-grade REE at Caladão is continuous and consistently present across a widespread zone that covers over 30km^2, which represents less than 10% of the total Caladão Project target area.

Managing Director, Dr Fernando Tallarico, said:

"The channel sampling program at the Caladão Project was conducted in conjunction with our Phase 1 2,600m diamond drill program, to test the lateral extent of REE mineralisation and speed up our process to a target resource area. These channel samples, which covered an 8km East-West linear area, coupled with our high-grade diamond and auger drill results to date covering over 30 km^2, confirm that we are in a huge REE-mineralised system.

This validates our exploration approach and positions Caladão closer to a development-ready opportunity. The extensive TREO mineralisation and high proportion of the high-value MREO in weathered saprolites not only offers near-surface continuity but also aligns with cost-efficient mining techniques, making it a highly attractive proposition.

Our team is pleased to be sharing these results with our shareholders, and we are excited to continue our exploration efforts to define the quality and potentially large scale of this project further."

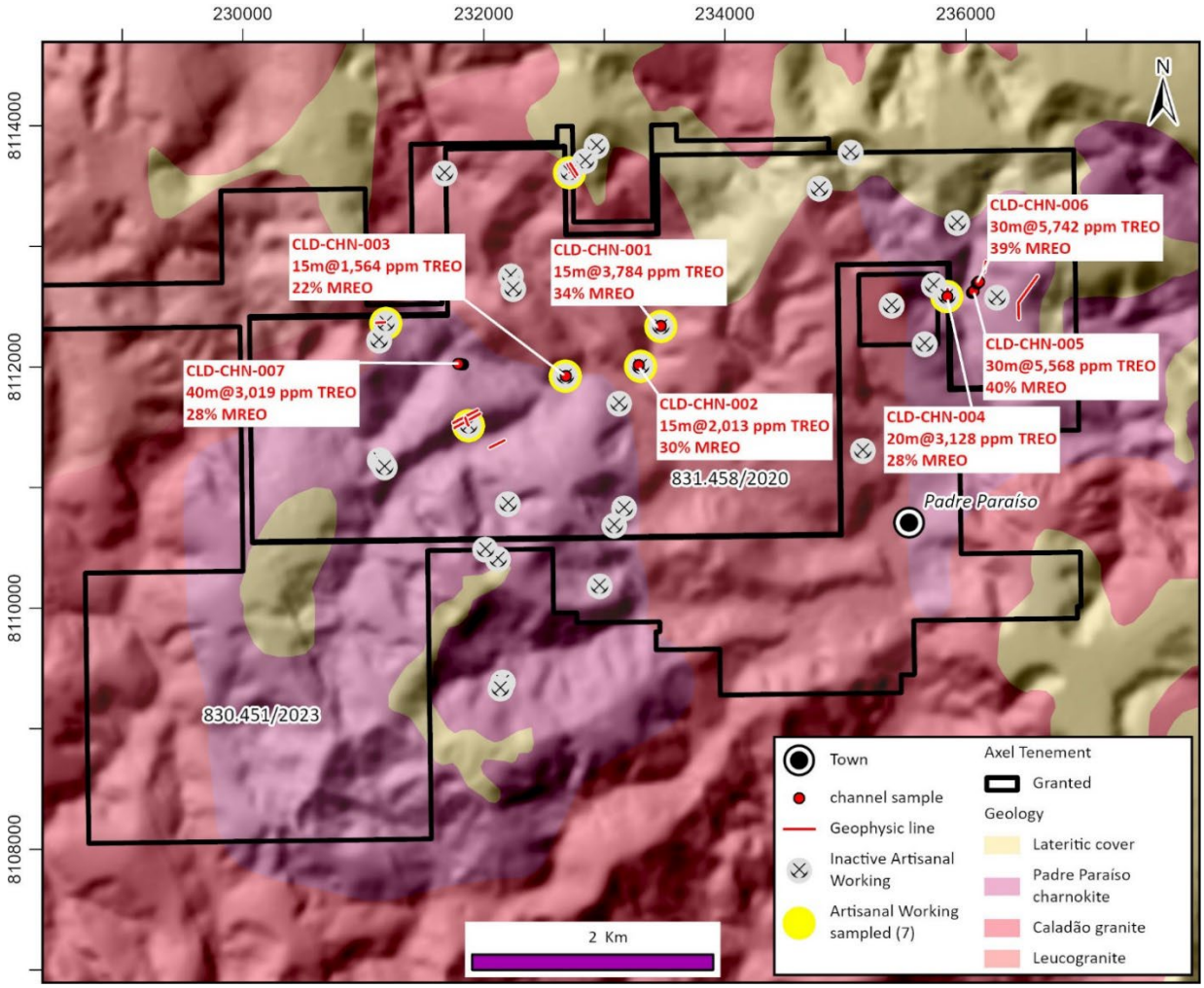

Figure 1 – Channel samples location taken at inactive artisanal workings at Axel's Caladao Project

Figure 2 – Picture of entrance at underground artisanal workings where channel sample CLD-CHN-001 was taken

Figure 3 – Channel sample CLD-CHN-006 taken from road cut at entrance of artisanal workings, returned 5,460ppm TREO from 15 to 20 meters width

Channel ID	Channel Width (m)	TREO ppm	MREO ppm	MREO %	NdPr ppm	DyTb ppm
CLD-CHN-001	15	3,784	1,299	**34**	1,220	79
CLD-CHN-002	15	2,013	578	**30**	519	58
CLD-CHN-003	15	1,564	355	**22**	337	18
CLD-CHN-004	20	3,128	897	**29**	865	33
CLD-CHN-005	30	5,568	2,218	**40**	2,161	57
CLD-CHN-006	30	5,742	2,249	**39**	2,185	65
CLD-CHN-007	40	3,019	845	**28**	805	40

Table 1: Summary of channel sampling results (cutoff 1,000ppm TREO)

The channel samples were taken at widths between 15m to 40m from inactive aquamarine artisanal workings on the Company's tenements and within weathered saprolites. The results spanned across 8km and consistently returned high grade REE continuity, which demonstrates the significant scale, continuity and grade of the Caladão Project. The high proportion of high-value MREO averaging 31% further demonstrates that the minerlalised zone could be a key target area for resource development.

Overview of the Caladão REE Project

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

On 31 July 2024, the Company announced a 20,000m drill campaign with Phase 1 (2,600m) drilling in progress. Consistently high TREO and MREO results have been reported to date including:

CAL-DDH-001: **12.4m @ 5,454ppm TREO** (1,142ppm NdPr, 46ppm DyTb) from 14m,
including **2m @ 12,454ppm TREO** (2,678ppm NdPr) from 18m
CLD-DDH-003: **32.1m @ 5,295ppm TREO** (837ppm NdPr, 41ppm DyTb) from 13m,
including **10m @ 9,944ppm TREO** (987ppm NdPr, 48ppm DyTb) from 18m,
and **1m @ 13,492ppm TREO** (493ppm NdPr, 37ppm DyTb) from 20m
CLD-DDH-005: **3.85m @ 2,512ppm TREO** (600ppm NdPr, 30ppm DyTb) from 54m,
including **1m @ 4,988ppm TREO** (1,281ppm NdPr, 45ppm DyTb) from 55m
CLD-AUG-069: **14m @ 4,032ppm TREO** (1,154ppm NdPr, 49ppm DyTb) from surface to EOH,
ending with **3m @ 3,688 ppm TREO** (907ppm NdPr, 55ppm DyTb) from 11m
CAL-AUG-065: **11m @ 4,014ppm TREO** (1,266ppm NdPr, 108ppm DyTb), and
ending with **6m @ 3,940 ppm TREO** (752ppm NdPr, 72ppm DyTb) from 5m

Each phase of drilling is designed to build towards establishing a maiden JORC-compliant mineral resource estimate. This is one of three programs currently in progress under the Company's comprehensive Brazilian exploration strategy (Caladão REE, Caldas REE and Itiquira Niobium/REE).

This announcement was authorised by the Board of Directors.

For inquiries regarding this release, please contact:

Fernando Tallarico
Managing Director
fernando@axelreelimited.com.au

Investor & Media Relations
Andrew Willis
awillis@nwrcommunications.com.au

About Axel REE

Axel REE is a critical minerals exploration company primarily focused on exploring the Caladão, Caldas, Itiquira, and Corrente rare earth elements (REE) projects in Brazil. The project portfolio covers over 1,105km^2 of exploration tenure in Brazil, the third largest country globally in terms of REE Reserves.

The Company's mission is to explore and develop REE and other critical minerals in vastly underexplored Brazil. These minerals are crucial for advancing modern technology and transitioning towards a more sustainable global economy. Axel's strategy includes extensive exploration plans to fully realize the potential of its current projects and seek new opportunities.

Reference to Previous Announcements

In addition to new results reported in this announcement, the information that relates to previous exploration results is extracted from:

- AXL ASX release 27 November 2024 "*Exceptional TREO and MREO Intercepts Continue at Flagship Caladão Project*"
- AXL ASX release 30 October 2024 "*First Diamond Drill Hole Returns Up To 12,931ppm TREO at Flagship Caladão REE Project*"
- AXL ASX release 31 July 2024 "*Diamond Drilling Program Commences at Caldão*"
- the Company's Replacement Prospectus dated 7 June 2024

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.

Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Dr. Fernando Tallarico, who is a member of the Association of Professional Geoscientists of Ontario, and Dr. Paul Woolrich, who is a Competent Person and a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Dr Tallarico is a full-time employee of the company. Dr. Tallarico and Dr. Woolrich have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves. Dr. Tallarico and Dr. Woolrich consent to including the matters in the report based on their information in the form and context in which it appears.

Table 1 – Channel Assay Results

ChannelID	From	To	Interval	TREO ppm	MREO ppm	MREO %	NdPr ppm	DyTb ppm
CLD-CHN-001	0	5	15m @ 3,784ppm TREO	3,582	1,096	31	1,007	89
CLD-CHN-001	5	10		3,860	1,388	36	1,308	80
CLD-CHN-001	10	15		3,909	1,414	36	1,345	69
CLD-CHN-002	0	5	15m @ 2,013ppm TREO	2,740	755	28	672	83
CLD-CHN-002	5	10		2,271	627	28	565	61
CLD-CHN-002	10	15		1,027	352	34	321	31
CLD-CHN-003	0	5	15m @1,564ppm TREO	1,832	412	22	391	21
CLD-CHN-003	5	10		1,393	310	22	295	16
CLD-CHN-003	10	15		1,466	343	23	326	17
CLD-CHN-004	0	5	20m @3,128ppm TREO	3,276	986	30	952	34
CLD-CHN-004	5	10		3,331	1,016	31	976	41
CLD-CHN-004	10	15		3,070	839	27	807	32
CLD-CHN-004	15	20		2,834	747	26	723	24
CLD-CHN-005	0	5	30m @ 5,568ppm TREO	5,913	2,421	41	2,358	63
CLD-CHN-005	5	10		5,108	2,034	40	1,983	51
CLD-CHN-005	10	15		5,339	2,155	40	2,102	53
CLD-CHN-005	15	20		6,228	2,558	41	2,495	63
CLD-CHN-005	20	25		5,909	2,351	40	2,290	62
CLD-CHN-005	25	30		4,911	1,789	36	1,740	50
CLD-CHN-006	0	5	30m @ 5,742ppm TREO	6,418	2,563	40	2,486	77
CLD-CHN-006	5	10		5,405	2,101	39	2,042	59
CLD-CHN-006	10	15		5,204	2,052	39	1,995	57
CLD-CHN-006	15	20		5,460	2,010	37	1,955	55
CLD-CHN-006	20	25		6,224	2,489	40	2,418	71
CLD-CHN-006	25	30		5,740	2,279	40	2,211	68
CLD-CHN-007	0	5	40m @ 3,019ppm TREO	2,283	562	25	530	32
CLD-CHN-007	5	10		2,723	664	24	627	37
CLD-CHN-007	10	15		3,214	853	27	807	45
CLD-CHN-007	15	20		2,627	737	28	701	36
CLD-CHN-007	20	25		2,908	847	29	806	41
CLD-CHN-007	25	30		3,156	904	29	863	41
CLD-CHN-007	30	35		3,645	1,109	30	1,063	45
CLD-CHN-007	35	40		3,597	1,081	30	1,042	39

Table 2 – Caladão Channel Sampling Lcations.

HoleID	Hole Type	Easting	Northing	RL (m)	EOH	Tenement	Target
CLD-CHN-001	Channel	233,468.00	8,112,342.00	735.00	15.00	831.458/2020	Area “A”
CLD-CHN-002	Channel	233,284.00	8,112,018.00	705.00	15.00	831.458/2020	Area “A”
CLD-CHN-003	Channel	232,682.00	8,111,926.00	670.00	15.00	831.458/2020	Area “A”
CLD-CHN-004	Channel	235,846.00	8,112,583.00	677.00	20.00	831.458/2020	Area “A”

HoleID	Hole Type	Easting	Northing	RL (m)	EOH	Tenement	Target
CLD-CHN-005	Channel	236,051.00	8,112,616.00	710.00	30.00	830.451/2023	Area “A”
CLD-CHN-006	Channel	236,092.00	8,112,690.00	720.00	30.00	831.458/2020	Area “A”
CLD-CHN-007	Channel	231,829.00	8,112,021.00	696.36	40.00	831.458/2020	Area “A”

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

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

Criteria	JORC Code explanation	Commentary
		not oriented.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Diamond drilling • Core recoveries were measured after each drill run, comparing the length of core recovered vs. drill depth. Overall Core recoveries are 92.5%, achieving 95% in the saprolite target horizon, 89% in the transitional rock (fresh fragments in clay), and 92.5% in fresh rock. Auger drilling • No recoveries are recorded. • No relationship is believed to exist between recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	The geology was described in a core facility by a geologist - logging focused on the soil (humic) horizon, saprolite, and fresh rock boundaries. The depth of geological boundaries is honored and described with downhole depth – not meter by meter. Other important parameters for collecting data include grain size, texture, and color, which can help identify the parent rock before weathering. All drilled holes have a digital photographic record. The log is stored in a Microsoft Excel template with inbuilt validation tables and a pick list to avoid data entry errors.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample preparation (drying, crushing, splitting and pulverising) is carried out by SGS laboratory, in Vespasiano MG, using industry-standard protocols: • dried at 60°C • the fresh rock is 75% crushed to sub 3mm • the saprolite is just disaggregated with hammers • Riffle split sub-sample • 250 g pulverized to 95% passing 150 mesh, monitored by sieving. • Aliquot selection from pulp packet
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model,*	1 blank sample, 1 certified reference material (standard) sample and 1 field duplicate sample were inserted by company into each 25 sample sequence. Standard laboratory QA/QC procedures were followed, including inclusion of standard, duplicate and blank samples.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>reading times, calibrations factors applied and their derivation, etc.
• Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established.</td><td>The assay technique used was Sodium Peroxide Fusion ICP OES / ICP MS (SGS code ICM90A). Elements analyzed at ppm levels:
<table><tr><td>Ce 0.1 – 10,000</td><td>Dy 0.05 – 1,000</td></tr><tr><td>Er 0.05 – 1,000</td><td>Eu 0.05 – 1,000</td></tr><tr><td>Gd 0.05 – 1,000</td><td>Ho 0.05 – 1,000</td></tr><tr><td>La 0.1 – 10,000</td><td>Li 10 – 15,000</td></tr><tr><td>Nd 0.1 – 10,000</td><td>Pr 0.05 – 1,000</td></tr><tr><td>Sm 0.1 – 1,000</td><td>Tb 0.05 – 1,000</td></tr><tr><td>Th 0.1 – 1,000</td><td>Tm 0.05 – 1,000</td></tr><tr><td>U 0.05 – 10,000</td><td>Y 0.05 – 1,000</td></tr><tr><td>Yb 0,1 – 1,000</td><td></td></tr></table>The sample preparation and assay techniques used are industry standard and provide total analysis.

The SGS laboratory used for assays is ISO 9001 and 14001 and 17025 accredited.</td></tr>
<tr><td>Verification of sampling and assaying</td><td>• The verification of significant intersections by either independent or alternative company personnel.
• The use of twinned holes.
• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.
• Discuss any adjustment to assay data.</td><td>Apart from the routine QA/QC procedures by the Company and the laboratory, there was no other independent or alternative verification of sampling and assaying procedures.
No twinned holes were used.
Primary data collection follows a structured protocol, with standardized data entry procedures ensure that any issues are identified and rectified. All data is stored both in physical forms, such as hard copies and electronically, in secure databases with regular backups.
The adjustments to the data were made transforming the element values into the oxide values. The conversion factors used are included in the table below.
(Source:https://www.jcu.edu.au/advanced-analyticalcentre/resources/element-to-stoichiometric-oxide-conversionfactors).
<table><tr><th>Element ppm</th><th>Conversion Factor</th><th>Oxide Form</th></tr><tr><td>Ce</td><td>1.2284</td><td>CeO2</td></tr><tr><td>Dy</td><td>1.1477</td><td>Dy2O3</td></tr><tr><td>Er</td><td>1.1435</td><td>Er2O3</td></tr><tr><td>Eu</td><td>1.1579</td><td>Eu2O3</td></tr><tr><td>Gd</td><td>1.1526</td><td>Gd2O3</td></tr><tr><td>Ho</td><td>1.1455</td><td>Ho2O3</td></tr><tr><td>La</td><td>1.1728</td><td>La2O3</td></tr><tr><td>Lu</td><td>1.1371</td><td>Lu2O3</td></tr><tr><td>Nd</td><td>1.1664</td><td>Nd2O3</td></tr><tr><td>Pr</td><td>1.2082</td><td>Pr6O11</td></tr><tr><td>Sm</td><td>1.1596</td><td>Sm2O3</td></tr><tr><td>Tb</td><td>1.1762</td><td>Tb4O7</td></tr><tr><td>Tm</td><td>1.1421</td><td>Tm2O3</td></tr></table></td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		<table><tr><td>Y</td><td>1.2699</td><td>Y2O3</td></tr><tr><td>Yb</td><td>1.1387</td><td>Yb2O3</td></tr></table> Rare earth oxide is the industry accepted form for reporting rare earths. The following calculations are used for compiling REO into their reporting and evaluation groups: TREO (Total Rare Earth Oxide) = La2O3 + CeO2 + Pr6O11 + Nd2O3 + Sm2O3 + Eu2O3 + Gd2O3 + Tb4O7 + Dy2O3 + Ho2O3 + Er2O3 + Tm2O3 + Yb2O3 + Y2O3 + Lu2O3 LREO (Light Rare Earth Oxide) = La2O3 + CeO2 + Pr6O11 + Nd2O3 HREO (Heavy Rare Earth Oxide) = Sm2O3 + Eu2O3 + Gd2O3 + Tb4O7 + Dy2O3 + Ho2O3 + Er2O3 + Tm2O3 + Yb2O3 + Y2O3 + Lu2O3 CREO (Critical Rare Earth Oxide) = Nd2O3 + Eu2O3 + Tb4O7 + Dy2O3 + Y2O3 (From U.S. Department of Energy, Critical Material Strategy, December 2011) MREO (Magnetic Rare Earth Oxide) = Nd2O3 + Pr6O11 + Tb4O7 + Dy2O3 NdPr = Nd2O3 + Pr6O11 DyTb = Dy2O3 + Tb4O7 In elemental from the classifications are: TREE: La+Ce+Pr+Nd+Sm+Eu+Gd+Tb+Dy+Ho+Er+Tm+Tb+Lu+Y HREE: Sm+Eu+Gd+Tb+Dy+Ho+Er+Tm+Tb+Lu+Y CREE: Nd+Eu+Tb+Dy+Y LREE: La+Ce+Pr+Nd
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings, and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	The UTM SIRGAS2000 zone 24S grid datum is used for current reporting. The auger and DDH collar coordinates for the holes reported are currently controlled by hand-held GPS.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	Collar plan displayed in the body of the release. No resources are reported.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	All drill holes were drilled vertically, which is deemed the most suitable orientation for this type of supergene deposit. These deposits typically have a broad horizontal extent relative to the thickness of the mineralized body, exhibiting horizontal continuity with minimal variation in thickness. Given the extensive lateral spread and uniform thickness of the deposit, vertical drilling is optimal for achieving unbiased sampling. This orientation allows for consistent intersections of the horizontal mineralized zones, providing an accurate depiction of the geological framework and mineralization. No evidence suggests that the vertical orientation has introduced any sampling bias concerning the key mineralized structures. The alignment of the drilling with the deposit's known geology ensures accurate and representative sampling. Any potential bias from the drilling orientation is considered negligible.
Sample security	• *The measures taken to ensure sample security.*	All samples were collected by field personnel and securely sealed in labeled plastic bags to ensure proper identification and prevent contamination.All samples for submission to the lab are packed in plastic bags (in batches) and sent to the lab where it is processed as reported above. The transport from the Caladao Project to the SGS laboratory in Vespasiano MG was undertaken by a competent, independent contractor.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No independent audit has been completed.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership, including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	All samples were sourced from tenements fully owned by Axel REE Ltd.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration* • *by other parties.*	In the Caladao Project, we are unaware of previous professional mineral exploration programs in the Region of Padre Paraiso MG. However, there is a history of previous artisanal gemstone mining in that region, particularly aquamarine.

Geology	• *Deposit type, geological setting and style of mineralisation.*	The Caladao Granite in the Region of Padre Paraiso is in the so-called Lithium Valley in the northeast portion of the Minas Gerais State. Axel was the first exploration company to recognize the REE potential of these Neoproterozoic granites on the eastern flank of the Sao Francisco Craton. These granites are subalkaline to alkaline and are considered late to post-tectonic relative to the Salinas Formation. Weathering over these granites develops up to 60-meter-thick profiles that often contain abundant kaolinites.

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

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Data acquisition for this project encompasses results from auger and diamond drilling. The dataset was compiled in its entirety, with no selective exclusion of information. All analytical techniques and data aggregation were conducted in strict accordance with industry best practices, as outlined in prior technical discussions.
Relationship between mineralisation	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is*	All holes are vertical, and mineralisation is developed in a flat-lying clay and transition zone within the regolith in both Pro

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