

Axel REE Signs Strategic MoUs with the MG State Government to Fast-track Project Development

HIGHLIGHTS:

- Multiple strategic Memorandum of Understandings (MoU) executed to fast track development of the Caladão REE+Gallium and Caldas REE Projects in Minas Gerais
- MoU signed with Federation of Industries Minas Gerais (FIEMG), owner and operator of the LabFab ITR, the first rare earth magnet research and production facility in South America
- Second MoU signed with State Economic Development Department and Invest Minas aimed to support the Project development and fast track licensing and approvals
- Maiden Mineral Resource Estimate and metallurgy testing continuing at Caladão Project

Axel REE Limited (**ASX: AXL**, “Axel” or “the Company”) is pleased to announce that it has entered into strategic collaboration agreements with the Government of the State of Minas Gerais, aiming specifically to support and advance its Caladão and Caldas Projects located in the State.

Managing Director, Dr Fernando Tallarico, commented:

“We are extremely proud to have been recognised by the State of Minas Gerais as an emerging REE (and Gallium) company in such a short period since we commenced exploration activity. We are also particularly impressed with the fantastic business environment the State has created, which has attracted investments and accelerated project development.”

Axel is excited to have Government support that includes access to the REE magnet laboratory, the only facility of this nature in the southern hemisphere. These strategic collaborations are aimed to set the Company up as it progresses to the next stages in its development (Mineral Resource Estimate and metallurgical testing in progress) and, subject to results, seeking offtake partnerships.”

The Company has entered into a Memorandum of Understanding (**MoU**) with the Federation of Industries of Minas Gerais (**FIEMG**) to collaborate on scientific initiatives with the rare earth magnet facility. FIEMG recently acquired LabFab ITR (**LabFab**), South America’s first facility dedicated to the research and production of permanent magnets. LabFab focuses on advancing permanent magnet technologies and supporting the industry's efforts to scale up manufacturing to meet the rising demand from sectors such as automotive, electric vehicle motors, and wind energy. The MoU will allow the Company access to research programs and potentially future testing of REE magnet production with material supplied by the Company.

A second MoU was also signed with the State Secretariat for Economic Development (**SED**) and its investment agency, Invest Minas. The agreement provides the Company support from Invest Minas during the exploration, development and operational stages of the Caladão and Caldas Projects and will assist the

Company with access to government agencies and fast-tracking of permit approval. The MoU with Invest Minas is a selective initiative from the State to form strategic partnerships with private companies that will sustainably strengthen the local economy.



Figure 1: State Secretary for Economic Development Mila Corrêa da Costa and Axel REE Managing Director Dr Fernando Tallarico (centre) at the MoU signing ceremony.

The key terms and objectives of the MoU with FIEMG are:

1. Five (5) year team, non-binding MoU
2. The Company will supply raw materials for characterising and developing production routes for rare earth products
3. Promote actions to strengthen participants and their relations with industries interested in these technologies
4. Develop joint applied research projects, evaluation activities, experiments, training, consultancies and specialised technological services
5. Implement other joint activities and programs and pilot and experimental programs in areas and subjects of mutual interest and benefit that may be agreed upon between the parties.

The key terms terms and objectives of the MoU with Invest Minas:

1. Three (3) year term, non-binding MoU
2. The MoU is between Axel REE Limited, the State Secretariat for Economic Development, and the Instituto de Desenvolvimento Integrado de Minas Gerais, Invest Minas
3. Document the conditions under which the State government of Minas Gerais intends to support Axel's Projects through various development, regulatory, and environmental processes
4. Provide support and assistance to Axel REE Limited during the implementation and operational phases of the project.



Figure 2: Rare Earth Magnet Laboratory in Lagoa Santa, MG.

This announcement was authorised by the Board of Directors.

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About Axel REE

Axel REE is a critical minerals exploration company which is primarily focused on exploring the Caladão, Caldas, Itiquira, and Corrente rare earth elements (**REE**) projects in Brazil. Together, the project portfolio covers over 1,105km² of exploration tenure in Brazil, the third largest country globally in terms of REE Reserves.

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

Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Dr. Fernando Tallarico, who is a member of the Association of Professional Geoscientists of Ontario. Dr Tallarico is a full-time employee of the Company. Dr. Tallarico has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves. Dr. Tallarico consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Forward Looking Statement

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