

23 May 2025

Teju Vanam
ASX Compliance
Level 50, South Tower Rialto
525 Collins Street
Melbourne VIC 3000

By email: ListingsComplianceMelbourne@asx.com.au

Dear Ms Vanam,

AXEL REE LIMITED (AXL): CLEANSING NOTICE TIMING

I refer to your letter dated 21 May 2025 seeking responses from AXL in relation to:

- (a) AXL's announcement entitled 'Cleansing Notice' released on the ASX Market Announcements Platform (**MAP**) at 10:14 AM on 19 May 2025 (the **Cleansing Notice**); and
- (b) AXL's announcement entitled 'Significant REE Results Expands Caldas Project Footprint' released on MAP at 10:06 AM on 20 May 2025 (the **Announcement**).

Please see below responses to each of your questions as follows:

1. **Does AXL consider the information disclosed in the announcement and in particular, that**
 - 1.1 **the Auger drill program in the highly prospective Poços de Caldas Caldera continues to return high-grade rare earth elements (REE) including high-value neodymium and praseodymium (NdPr), and dysprosium and terbium (DyTb);**
 - 1.2 **the large prospect along the weathered zone at the northern contact point of the Caldera returned encouraging REE mineralisation; and**
 - 1.3 **the excellent results from drilling inside the Caldera, with all holes ending in high-grade mineralisation, indicating continuity at depth**
or any part thereof to be information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of either:
 - 1.4 **the assets and liabilities, financial position and performance, profits and losses and prospects of AXL; or**
 - 1.5 **the rights and liabilities attaching to the relevant securities?**

AXL considers the information disclosed in the Announcement to be information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of the prospects of AXL.

2. **If the answer to either limb of question 1 is "no", please advise the basis for that view.**

Not applicable.

3. **Does AXL consider the announcement to include information for which it is reasonable for investors and their professional advisers to expect to find in a disclosure document?**

AXL considers the Announcement to include information which is reasonable for investors and their professional advisers to expect to find in a disclosure document.

4. **If the answer to question 3 is “no”, please advise the basis for that view.**

Not applicable.

5. **If the answer to question 3 is “yes”, please detail the information.**

AXL considers that the information contained in the Announcement may provide an indication to investors and professional advisors of the prospectivity of the Poços de Caldas Caldera project (**Caldas Project**) and may consider that the latest additional results add robustness to previously reported results as part of the wider scout auger drill program at the Caldas Project.

AXL is an exploration company and is consistently disclosing to the market the exploration work programs which are planned for, and are being undertaken on, its projects in addition to results which are received during the course of the programs. AXL considers the additional results to be at the lower end of the materiality spectrum, particularly regarding the auger drill program at the Caldas Project, given AXL has been consistently reporting the results in the same manner since the commencement of drilling at the Caldas Project. AXL considers the Announcement to be an extension to the information already reported in previous announcements, given that no new discoveries were reported and that the results of the Caldas Project are a continuity of results that have previously been announced.

Regarding the Announcement, AXL believes that it is material in the sense that it confirms management’s assumptions about the potential of the Caldas Project, however AXL considers this information to fall at the lower end of materiality. Whilst the auger drill program results do indicate encouraging results, there is a requirement for substantial additional work, in the form of geochemical analysis, additional drilling, metallurgy, feasibility, and ultimately funding, before the viability of extending and developing the Caldas Project can be considered definite. As the materiality of this information is considered low given the previous reporting in the same manner and substantial additional work required, AXL does not believe the information carries the same weight as other results typically released during the exploration and development phases of the Caldas Project.

6. **If the answer to either limb in question 1 is “yes”, when did AXL first become aware of the relevant information in the announcement? In answering this question, please specify the date and time when AXL first became aware of the relevant information, and in particular, that**

- 6.1 **the Auger drill program in the highly prospective Poços de Caldas Caldera continues to return high-grade rare earth elements (REE) including high value neodymium and praseodymium (NdPr), and dysprosium and terbium (DyTb);**
- 6.2 **the large prospect along the weathered zone at the northern contact point of the Caldera returned encouraging REE mineralisation; and**
- 6.3 **the excellent results from drilling inside the Caldera, with all holes ending in high-grade mineralisation, indicating continuity at depth**

or any part thereof.

The information contained in the Announcement was received over the weekend via email at 5:20 AM on Sunday, 18 May 2025 from AXL’s in-county managing director located in Brazil, however it had not been reviewed, assessed, or processed by any other directors or the company secretary until after the Cleansing Notice was released at 10:14 AM on Monday, 19 May 2025. Accordingly, AXL was not fully aware of the information contained within the Announcement at the time of lodging the Cleansing Notice on MAP, particularly given the

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balance of the directors of AXL are located in Australia and had not viewed or considered the information contained in the Announcement.

AXL acted promptly and without delay to review, assess, and process the information received into the information contained in the Announcement within 24 hours of it having awareness of the information contained in the Announcement. Given the time required to review, assess, and process the Announcement, AXL acted as quickly as could be done in the circumstances and did not defer, postpone, or put this off to a later date. AXL considers that it acted within a reasonable period to confirm the materiality of the information contained in the Announcement.

AXL will continue to review and improve its internal processes and procedures to ensure continued compliance with the Listing Rules.

7. **If AXL first became aware of the relevant information before lodging the cleansing notice on map, was AXL relying on the provisions of listing rule 3.1A not to release the information before AXL lodged the announcement on map?**

Not applicable.

8. **If AXL first became aware of the information prior to the lodging of the cleansing notice on map, please explain why the information was not set out in the cleansing notice pursuant to the act?**

Not applicable.

9. **Please confirm that AXL is in compliance with the listing rules and, in particular, listing rule 3.1.**

AXL confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

10. **Please confirm that AXL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AXL with delegated authority from the board to respond to ASX on disclosure matters.**

AXL confirms that the above responses have been authorised and approved by the Board.

Kind regards,

Patrick Volpe
Company Secretary
Axel REE Limited.

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21 May 2025

Reference: 109459

Mr Patrick Volpe
Company Secretary
Axel REE Limited
832 High Street
Kew East, VIC 3102

By email:

Dear Mr Volpe

Axel REE Limited ('AXL'): Cleansing Notice Timing

ASX refers to the following:

- A. AXL's announcement entitled 'Cleansing Notice - Options' released on the ASX Market Announcements Platform ('MAP') at 10:14 AM on 19 May 2025 (the 'Cleansing Notice'), disclosing amongst other things:

"The Company hereby notifies ASX under section 708A(5)(e) of the Act in compliance with the requirements of section 708A(6) of the Act. The Company also advises that as at the date of this notice:

- (1) The options were issued without disclosure under Part 6D.2 of the Act;
- (2) The Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- (3) The Company has complied with section 674 of the Act; and
- (4) As at the date of this notice, there is no information:
 - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules;
 - (b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the shares."

- B. AXL's announcement titled "Significant REE Results Expands Caldas Project Footprint" (the 'Announcement') released on MAP at 10:06 AM on 20 May 2025 disclosing the following:

- 1.1 The Auger drill program in the highly prospective Poços de Caldas Caldera continues to return high-grade rare earth elements (REE) including high-value neodymium and praseodymium (NdPr), and dysprosium and terbium (DyTb);
- 1.2 The large prospect along the weathered zone at the northern contact point of the Caldera returned encouraging REE mineralisation; and
- 1.3 The excellent results from drilling inside the Caldera, with all holes ending in high-grade mineralisation, indicating continuity at depth.

C. Section 708A(7) of the Corporations Act 2001 (Cth) (the 'Act') which states:

'For the purposes of subsection (6), excluded information is information:

- (a) that has been excluded from a continuous disclosure notice in accordance with the listing rules of the relevant market operator to whom that notice is required to be given; and*
- (b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:*
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the body; or*
 - (ii) the rights and liabilities attaching to the relevant securities.'*

D. The definition of 'aware' in Chapter 19 of the Listing Rules. This definition states that:

'an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.'

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B 'When does an entity become aware of information?'

E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

'3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following 5 situations applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.'

Request for information

Having regard to the above, ASX asks AXL to respond separately to each of the following questions.

1. Does AXL consider the information disclosed in the Announcement and in particular that,

1.1 The Auger drill program in the highly prospective Poços de Caldas Caldera continues to return high-grade rare earth elements (REE) including high-value neodymium and praseodymium (NdPr), and dysprosium and terbium (DyTb);

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- 1.2 The large prospect along the weathered zone at the northern contact point of the Caldera returned encouraging REE mineralisation; and
- 1.3 The excellent results from drilling inside the Caldera, with all holes ending in high-grade mineralisation, indicating continuity at depth,

or any part thereof to be information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of either:

- 1.4 the assets and liabilities, financial position and performance, profits and losses and prospects of AXL; or
- 1.5 the rights and liabilities attaching to the relevant securities?
2. If the answer to either limb of question 1 is “no”, please advise the basis for that view.
3. Does AXL consider the Announcement to include information for which it is reasonable for investors and their professional advisers to expect to find in a disclosure document?
4. If the answer to question 3 is “no”, please advise the basis for that view.
5. If the answer to question 3 is “yes”, please detail the information.
6. If the answer to either limb in question 1 is “yes”, when did AXL first become aware of the relevant information in the Announcement? In answering this question, please specify the date and time when AXL first became aware of the relevant information, and in particular,
- 6.1 The Auger drill program in the highly prospective Poços de Caldas Caldera continues to return high-grade rare earth elements (REE) including high-value neodymium and praseodymium (NdPr), and dysprosium and terbium (DyTb);
- 6.2 The large prospect along the weathered zone at the northern contact point of the Caldera returned encouraging REE mineralisation; and
- 6.3 The excellent results from drilling inside the Caldera, with all holes ending in high-grade mineralisation, indicating continuity at depth,
- or any part thereof.
7. If AXL first became aware of the relevant information before lodging the Cleansing Notice on MAP, was AXL relying on the provisions of Listing Rule 3.1A not to release the information before AXL lodged the Announcement on MAP?
8. If AXL first became aware of the information prior to the lodging of the Cleansing Notice on MAP, please explain why the information was not set out in the Cleansing Notice pursuant to the Act?
9. Please confirm that AXL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
10. Please confirm that AXL’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AXL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEST Monday, 26 May 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AXL's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require AXL to request a trading halt immediately if trading in AXL's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceMelbourne@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AXL's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to AXL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that AXL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance