

QUARTERLY ACTIVITIES & CASHFLOW REPORT

HIGHLIGHTS

Caladão REE/Gallium Project – 145% REE and 339% Gallium Resource Growth

Caladão Project – Resource Growth:

- Delivered a maiden Mineral Resource Estimate (MRE) for Area B of 339Mt @ 1,075ppm TREO and 36.6ppm gallium, expanding the Caladão resource base by 145% (REE) and 339% (gallium)
- The combined Area A + B MRE now stands at 572 Mt @ 1,506 ppm TREO and 439 Mt @ 38 ppm Ga, covering ~151 km² (~35% of the Caladão Project area)**
- This positions Caladão as a district-scale ionic clay REE project and one of the largest primary gallium deposits globally

Caladão Project – Metallurgy & ISL Breakthrough:

- Breakthrough metallurgical tests at the Woolrich in-situ leach (ISL) target (Area B) confirmed strong amenability to low-cost ISL extraction
- Magnesium sulphate (MgSO₄) leaching of auger samples achieved ~464ppm soluble TREO in solution, with the leachate showing a high proportion of magnet rare earth oxides (MREO ~42%, NdPr ~40%)
- Results comparable to grades at operating Gerik ISL clay REE (Malaysia), highlighting the potential for a low-CAPEX, low-OPEX ISL development at the Caladão project

Caladão Project – Exploration Upside:

- Three new exploration licences (total ~867 ha) contiguous to the Area A MRE were granted, extending Axel's footprint in the Caladão Lithium Valley district
- An immediate 49-hole auger drilling program was initiated on these licences to delineate gallium-rich laterites and REE-enriched saprolite, aiming to drive further resource growth adjacent to the existing Area A resource

Caldas Project – Drilling Success:

- Auger drilling during the quarter expanded the REE-mineralised footprint across multiple prospects within the Poços de Caldas alkaline complex
- Drilling encountered broad, near-surface clay-hosted REE mineralisation, including strong intercepts from surface in a weathered saprolite horizon.
- These results reinforce Caldas as a district-scale REE discovery target akin to nearby ionic clay deposits in the region (Meteoric's Caldeira, Viridis' Colossus)

Corporate:

- Strong cash position maintained with \$7.1 million cash at quarter end
- Strengthened Board with the appointment of Mr. Aidan Nania as Non-Executive Director, following the resignation of Mr. Ian Kiers
- 1.5 million performance rights vested during the quarter upon achievement of key milestones

Axel REE Limited (ASX: AXL, “Axel” or “the Company”) is pleased to provide its Quarterly Activities Report for the quarter ending 31 December 2025.

Exploration Activities for the Quarter

Caladão REE-Gallium Project

Mineral Resource Expansion – Area A & Area B

During the December quarter, the Company achieved a substantial increase in the Caladão Project's REE and Gallium resources.

In November, the Company engaged independent consultants GE21 Consultoria Mineral to undertake a JORC (2012) resource estimate for Area B, building on the existing Area A resource of **233Mt @ 2,143ppm TREO and 100Mt @ 42ppm Ga**. This work culminated in a maiden Area B Inferred MRE of **339Mt @ 1,075ppm TREO and 36.6ppm Ga** (500ppm TREO cut-off).

Combined with Area A, the Caladão Project now hosts a total **572Mt @ 1,506ppm TREO and 439Mt @ 38ppm Ga** - increases of **145% (TREO)** and **339% (Ga)** over the prior MRE. This significant resource growth (covering only ~35% of the Caladão project area) confirms Caladão's status as a **world-class ionic clay-hosted REE + gallium deposit**.

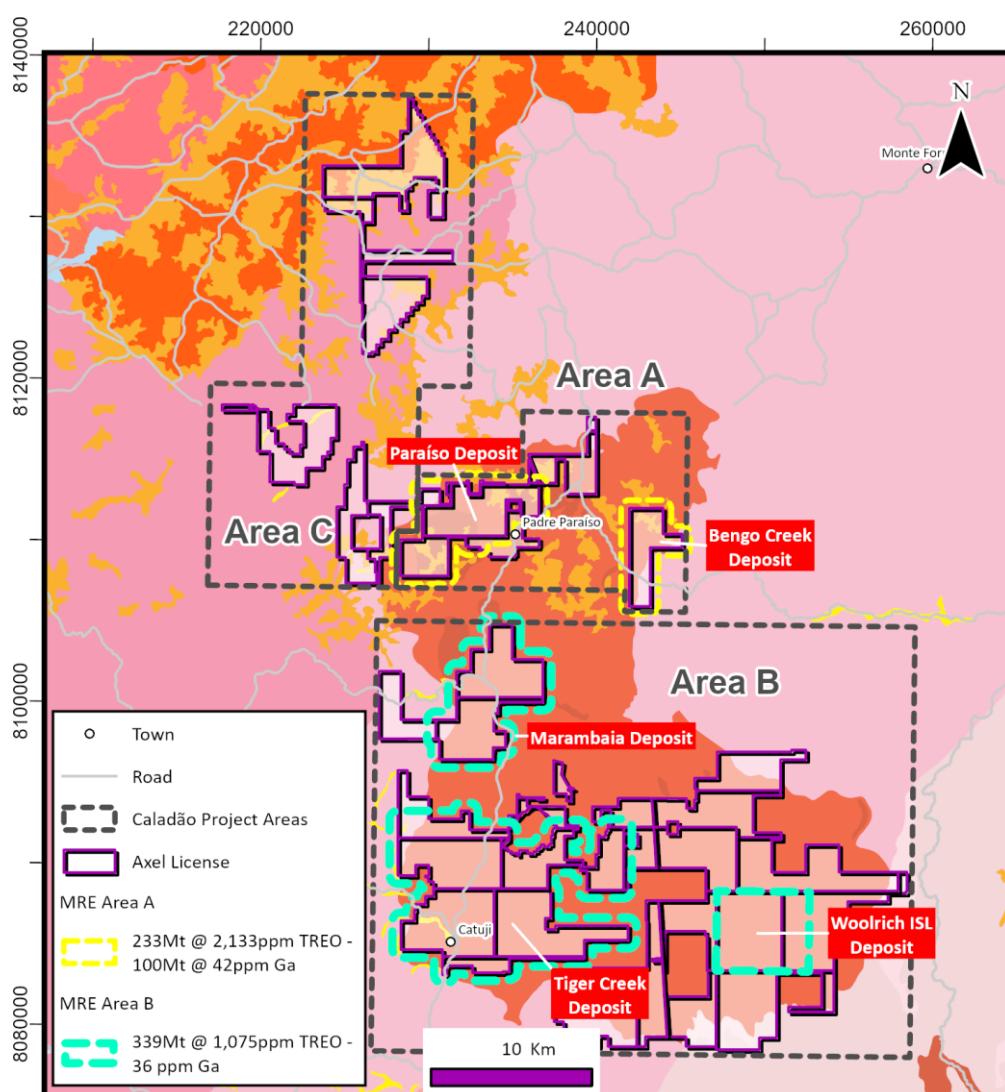


Figure 1. Location map of the Caladão Project and MRE at Area A and Area B.

Deposit	JORC Category	Tonnes (Mt)	TREO (ppm)	Gallium (ppm)	NdPr (ppm)	DyTb (ppm)	MREO (ppm)
Marambaia	Inferred	126	1,154	35.8	261	12.9	274
Tiger Creek	Inferred	85	1,050	40.1	117	8.0	125
Woolrich	Inferred	128	1,013	35.1	179	10.9	190
Total (Area B) MRE	Inferred	339	1,075	36.6	194	10.9	205

Table 1: Mineral Resource Estimate Summary – Area B

Deposit	JORC Category	Tonnes (Mt)	TREO (ppm)
Caladão Area A	Inferred	233	2,133
Caladão Area B	Inferred	339	1,075
Total (Global) MRE	Inferred	572	1,506

Table 2: Inferred REE MRE Area A & Area B for a total MRE of 572Mt

Deposit	JORC Category	Tonnes (Mt)	Ga (ppm)
Caladão Area A	Inferred	100	42
Caladão Area B	Inferred	339	36.6
Total (Global) MRE	Inferred	439	38

Table 3: Inferred Gallium MRE Area A & Area B for a total MRE of 439Mt

Metallurgical Breakthrough (Woolrich ISR Target):

During the quarter, the Company announced **highly encouraging metallurgical and hydrogeological test results** from the Woolrich target within Area B. Woolrich is being evaluated for in-situ recovery (**ISR**) potential, given its deep weathering and clay-hosted REE profile. Magnesium-sulfate leach testing on auger samples returned strong soluble TREO grades, including intercepts such as **10m @ 590 ppm soluble TREO** (from 5 m depth, ending in 457 ppm) and **4m @ 514 ppm** (ending in 629 ppm).

Soluble REE grades in the best Woolrich intervals (~464 ppm) are comparable to those at the operating Gerik ISL mine in Malaysia (486 ppm soluble TREO), highlighting the competitive tenor of the mineralisation. Importantly, the Woolrich clay profile exhibits a magnet REE-enriched assemblage, with approximately 42% of the soluble TREO comprising magnet rare earth oxides (**MREO**) (NdPr, DyTb). This magnet-rich basket is expected to enhance project economics.

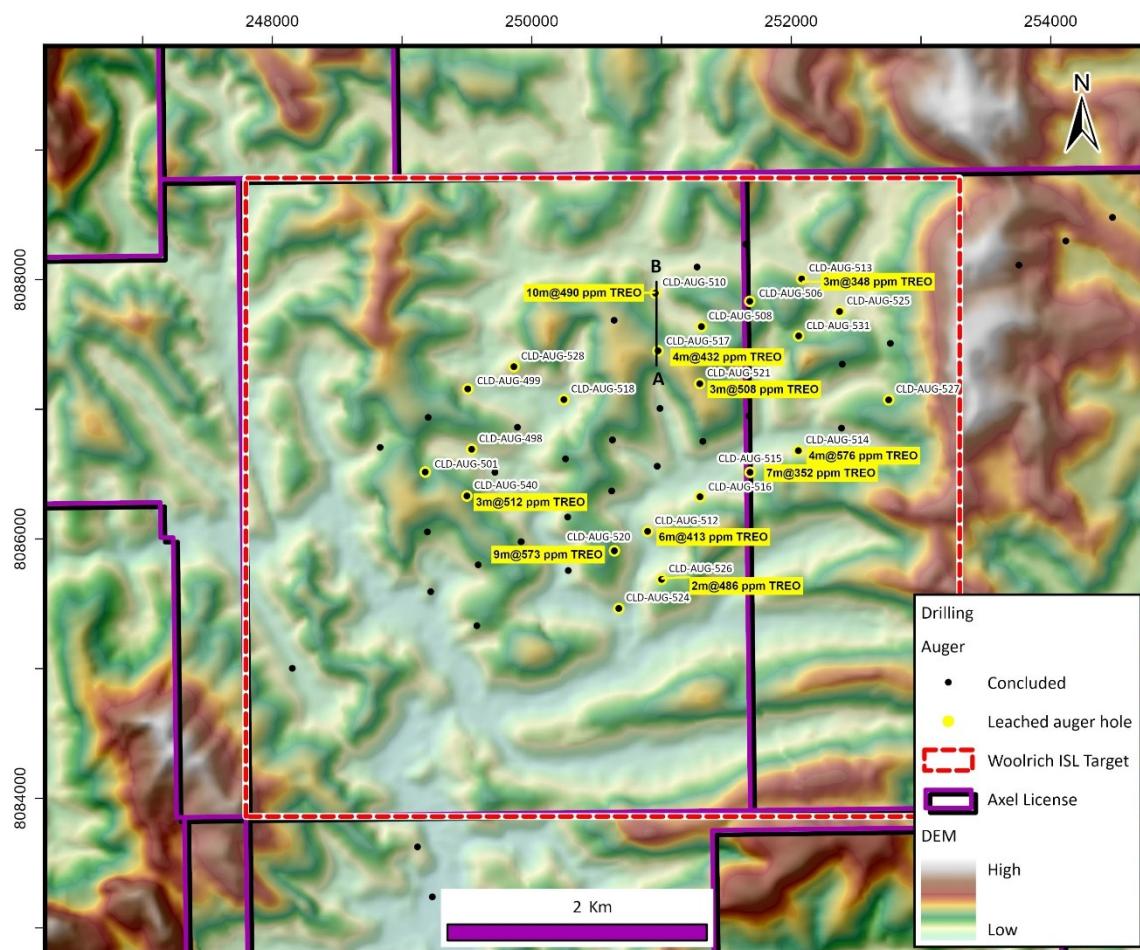


Figure 1. Location map of the TREO soluble results at Woolrich ISL Deposit.

Higher soluble grades were observed at depth, consistent with ionic adsorption clay enrichment, indicating potential to increase average recoverable grades as drilling probes deeper into the saprolite. These breakthrough ISR results provide a strong technical foundation as Axel advances feasibility studies. Ongoing work will integrate the leach data with geological models to refine the clay horizon continuity and select optimal zones for future ISR pilot testing.

A comparison of the Woolrich ISL deposit's soluble TREO and MREO assemblage with selected IAC and ISL peers, including the Gerik ISL REE mine and several advanced scoping and prefeasibility-stage projects (EMA, Colossus, Caldera and Carina), is provided in Table 4 below.

Company – Project	CAPEX (USD Million)	SOLUBLE TREO (ppm)	MREO/ TREO (%)	NdPr/ TREO (%)	DyTb/ TREO (%)
Axel REE – Caladão Project, Woolrich ISL	-	464	42.0	40.0	2.0
MCRE Resources/Southern Alliance Mining - Gerik ISL REE Mine	20	486	30.0¹	27.0	3.0
Brazilian Critical Minerals (ASX:BCM) – EMA Project	55	-	41.5²	40.6	0.9
Viridis Mining (ASX:VMM) – Colossus Project	358	-	39.0³	37.5	1.4
Meteoric Resources (ASX:MEI) – Caldera Project	443	-	31.6⁴	30.6	1.0
Aclara Resources (TSX: ARA) – Carina Project	680	459	31.5⁵	27.4	4.1

Table 4. Soluble MREO Grades Demonstrating Competitive Positioning of the Woolrich Deposit.

Note: All rare earths in solution will report in the final product, the Mixed Rare Earth Carbonate (MREC)

The successful leach results at Woolrich validate the ISL development concept for Caladão, indicating that Caladão's ionic clay mineralisation could be economically recovered via in-situ mining techniques similar to those deployed in Chinese and Malaysian clay REE operations. Importantly, the Woolrich target also exhibits favourable site characteristics for ISL (flat lateritic plateau underlain by impermeable fresh granite acting as a hydrologic basement).

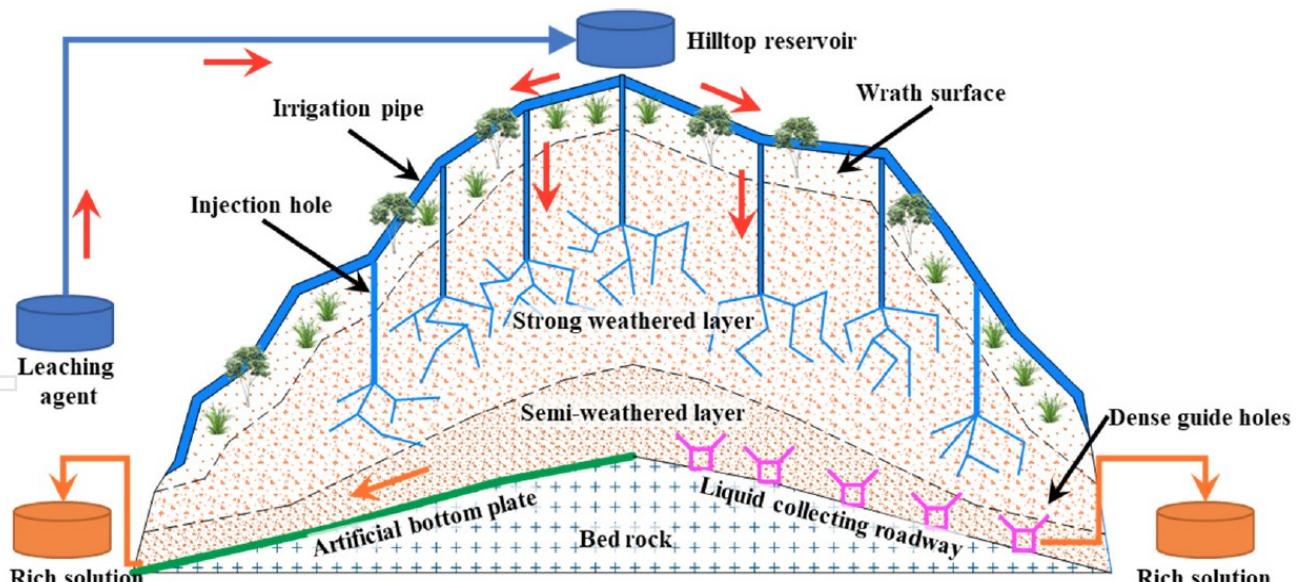


Figure 3. Schematic diagram of the in situ leaching process for rare earth ore.

Source info: Hu, Mingbing & Shao, Yajian & Chen, Guoliang. (2025). Kinetics of Ion Exchange in Magnesium Sulfate Leaching of Rare Earths and Aluminum from Ionic Rare Earth Ores. *Minerals*. 15. 290. 10.3390/min15030290.

ISL Trial Mining - Commercial and Technical Strategy Progress

On the back of results to date, Axel has defined a clear path forward for the Caladão Project's development. A dedicated work program is underway to refine ISL parameters and advance the project toward a pilot trial.

This includes infill and further drilling at Woolrich to delineate zones of highest soluble REE grades and to gather hydrogeological data.

The Company is also undertaking a specialised “soluble TREO” resource estimation, incorporating leachability data to quantify the subset of the resource most amenable to ISL. These steps will feed into a technical studies to evaluate a modular in-situ recovery operation, with the ultimate goal of designing and permitting an on-site ISL trial mine initially at Woolrich. In parallel, representative commercial MREC samples will be generated for customer qualification, while detailed, evergreen pricing assumptions and cost input datasets will be compiled to support commercial-scale FID modelling as part of a fully integrated life-of-mine (**LOM**) model.

New Licences & Drilling

In October, Axel REE was granted three new exploration licences totalling 867 hectares adjacent to Caladão Area A. These licences cover extensions of the fertile Caladão Granite and saprolite host units, providing immediate upside for resource growth.

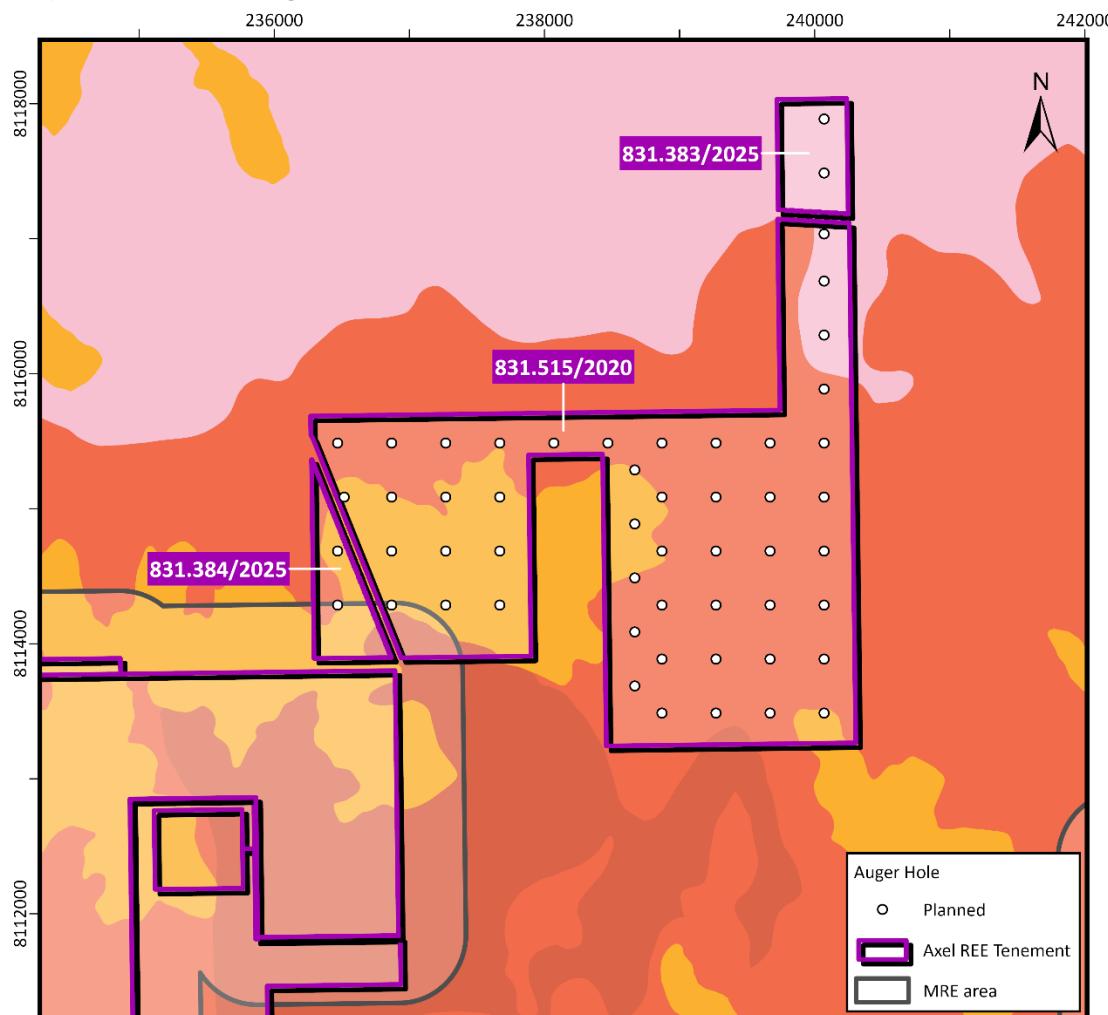


Figure 4. Planned auger drill program over newly granted licences which are contiguous with the Area A 233Mt REE and 100Mt Ga Resources.

The Company swiftly mobilised a 49-hole auger drilling program on the new licence areas to test for gallium-rich laterite and REE mineralisation in the shallow profile. Drilling is targeting analogous clay-hosted REE and

Ga horizons contiguous with known deposits. Initial field observations are encouraging, and assay results from this program are expected to guide resource extension efforts in the coming quarter.

Caldas REE Project

Auger Drill Results – Expanded REE Footprint

During the quarter, Axel accelerated exploration at the Caldas REE Project in Minas Gerais, with auger drilling yielding further encouraging results. Drilling was focused on multiple prospect areas around the rim of the Poços de Caldas alkaline caldera – a world-class geological complex known to host ionic clay REE mineralisation (e.g. Meteoric Resources' Caldeira Project and Viridis Mining's Colossus Project).

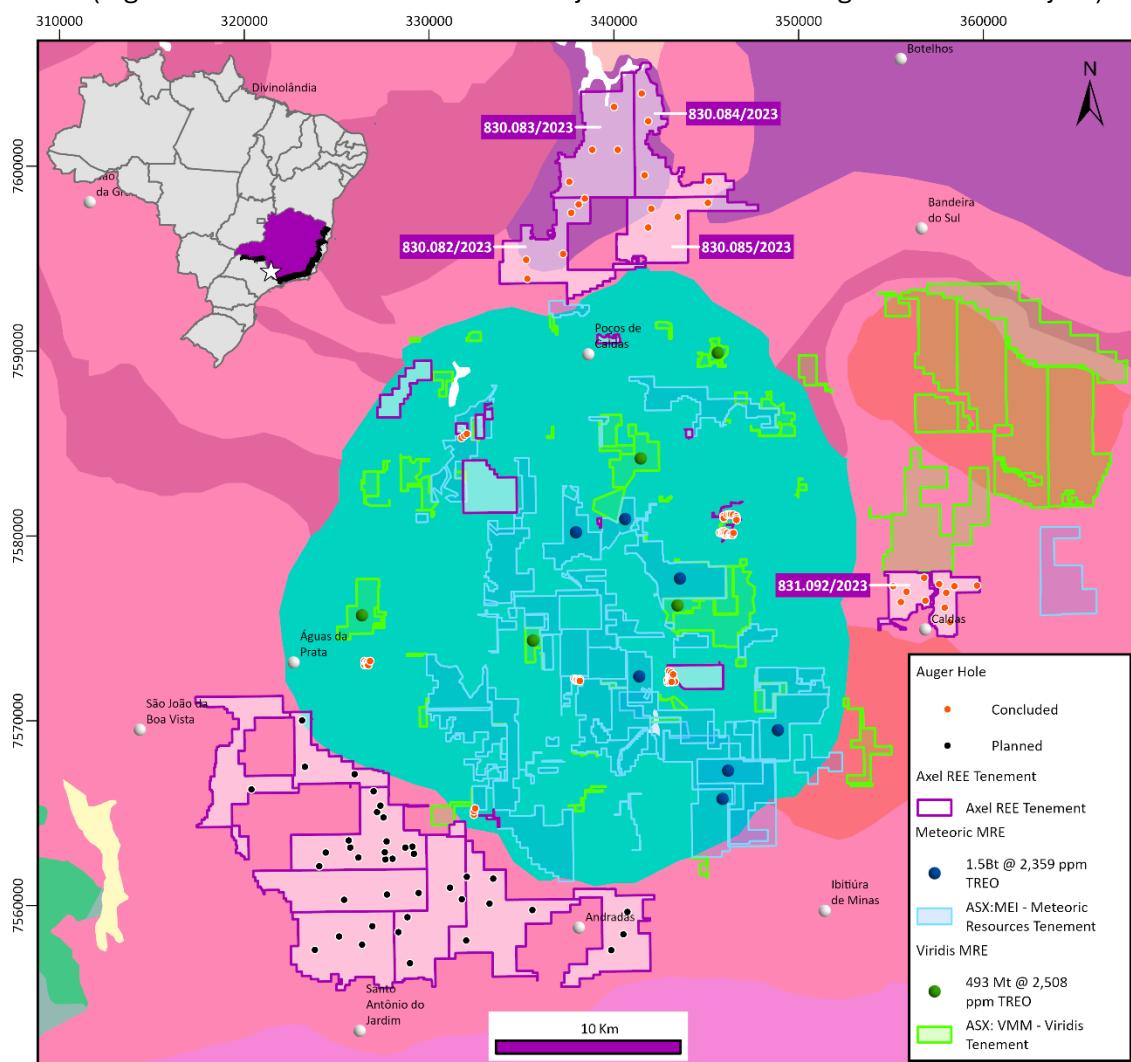


Figure 5. Caldas Project location.

The latest assays confirmed **broad zones of near-surface REE mineralisation** across at least two prospects (along the northern and eastern caldera margins), thereby expanding the mineralised footprint at Caldas. Notably, auger hole **CAL-AUG-079** intersected **6m @ 1,370ppm TREO** (including ~33% MREO and 26% heavy REO) from 1m depth in a clay-rich saprolite profile. Several other holes returned high TREO grades over multi-metre intervals (e.g. up to 10m @ ~1,550ppm TREO in CAL-AUG-083) with elevated proportions of magnet rare earths in the oxide mix. These results indicate that the REE mineralisation at Caldas is of the ionic adsorption clay (**IAC**) type, with a REE distribution (high Nd-Pr and appreciable Dy-Tb) comparable to

known IAC deposits. The confirmation of IAC-style mineralisation over a wide area underscores the potential for a large, district-scale REE resource at Poços de Caldas.

Ongoing Exploration and Target Definition

Building on the positive drilling outcomes, Axel has launched the next phase of exploration to advance the Caldas Project.

During the quarter, an additional auger drilling program commenced at the Caldas South prospect, which lies along the external (southern) margin of the caldera. This program targets REE-enriched saprolite developed over the granite/gneiss basement at Caldas South, aiming to extend the known mineralisation footprint further around the caldera rim.

The Company plans to complete the remaining auger holes in early 2026, after which all drilling data (North, Central, East, South prospects) will be integrated and reviewed. Following completion of drilling, Axel's geology team will define an initial Exploration Target for the Caldas Project, in accordance with JORC 2012 guidelines.

This Exploration Target will give the market an early indication of the potential scale of the REE mineralisation contained within the project's 228 km² landholding. In parallel, preparations are underway for metallurgical testwork on composite samples from key Caldas prospects. These metallurgy studies – tailored to ionic clay processing methods – will evaluate REE recoveries and reagent requirements, and will complement the geological work by confirming that Caldas mineralisation responds to similar leaching techniques proven at Caladão.

Together, the upcoming Exploration Target and metallurgical results will guide the design of next-stage drilling and potential resource definition at Poços de Caldas, as Axel continues to advance this promising REE project.

Corporate

Cash Position

The Company remains fully funded to execute its exploration strategy, with \$7.1M in cash on hand as at 31 December 2025.

Board Changes

During the quarter, Axel REE undertook changes to its Board to support the Company's growth. On 21 October 2025, the Company appointed Mr. Aidan Nania as a Non-Executive Director, bringing additional corporate and resources sector experience to the Board. On the same date, Mr. Ian Kiers resigned as a Non-Executive Director.

The appointment of Mr. Nania, whose background in corporate strategy in the resources sector, is expected to assist Axel through its next phase of development.

Performance Rights Vesting

Following the major resource milestone achieved at Caladão during the quarter, 1.5 million performance rights vested in line with their terms.

Of these, 0.5 million Class A performance rights vested completion of Milestone A relating to completion of the Company's ASX listing and minimum tenure requirements. 250,000 shares were issued each to Non-Executive Chairman Paul Dickson and former Non-Executive Director Ian Kiers.

In addition, 1.0 million Class E performance rights vested on completion of Milestone E relating to Axel REE announcing an Inferred Mineral Resource exceeding 10Mt at a minimum grade of 1,000ppm TREO to the ASX – a milestone reached with the Caladão Area A resource announcement released on 1 October 2025. 500,000 shares were issued each to Non-Executive Chairman Paul Dickson and former Non-Executive Director Ian Kiers.

All requisite ASX notifications for the vesting and cessation of these unquoted securities were lodged during the quarter.

Annual General Meeting

The Annual General Meeting was held on 26 November 2025. All resolutions were passed via poll.

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 approximately \$482k.

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.

For the purpose of ASX Listing Rule 5.3.3, details of the tenements held by Company are set out at Schedule 1. During the period the Company resolved to relinquish tenements referred to as the Itiquira Project in Mato Grosso due to lack of prospectivity. During the quarter, tenements 831515/2020, 831383/2025 and 831384/2025 were granted at the Caladão Project area contiguous to the Area A Mineral Resource Estimate area.

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)	Actual use of Funds until 31 December 2025	Variance
	(\$ million)	(\$ million)	
Exploration at the Projects	9.65	3.18	(6.47)
Expenses of the Offer	1.14	1.10	(0.04)
General and administration costs	2.51	2.33	(0.18)
Working capital	0.52	0.07	(0.45)
Total	13.82	6.68	(7.14)

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.
- The Company has reported Mineral Resource Estimates (MRE) for gallium and REE and significant MRE upgrades during the period, completed preliminary metallurgical testwork, and continued to define further exploration targets whilst maintaining cost efficiencies
- The Company remains on track to meet its stated objectives under the Prospectus at costs below the Prospectus Estimates
- 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 \$147,824 to related parties and their associates. These payments include directors' fees/salaries and superannuation contributions, and company secretary fees.

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 developing the Caladão REE-Gallium and Caldas REE Projects in Brazil. Together, the project portfolio covers over 1,000km² of exploration tenure in Brazil, the third largest country globally in terms of REE Reserves.

Axel is advancing a low-cost, modular development concept at Caladão based on in situ recovery (**ISR**) of ionic clay-hosted rare earth mineralisation using magnesium sulphate leaching. This approach aims to minimise surface disturbance and capital intensity by deploying modular hydrometallurgical plants within wellfields. In parallel, Axel is progressing metallurgical programs to unlock additional value from gallium and scandium within the near-surface oxidised profile.

JORC 2012 Mineral Resource Deposit	JORC 2012 Classification	Tonnes and Grade
Caladão Project – Area A	Inferred	233Mt @ 2,133ppm TREO
Marambaia – Area B	Inferred	126Mt @ 1,154ppm TREO
Tiger Creek – Area B	Inferred	85Mt @ 1,050ppm TREO
Woolrich – Area B	Inferred	128Mt @ 1,013ppm TREO

Table 1. Inferred Rare Earth MRE Area A & Area B for a total MRE tonnage of 572Mt.

JORC 2012 Mineral Resource Deposit	JORC 2012 Classification	Tonnes and Grade
Caladão Project – Area A	Inferred	100Mt @ 42.0ppm Gallium
Caladão Project – Area B	Inferred	339Mt @ 36.6ppm Gallium

Table 2. Inferred Gallium MRE Area A & Area B for a total MRE tonnage of 439Mt.

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.

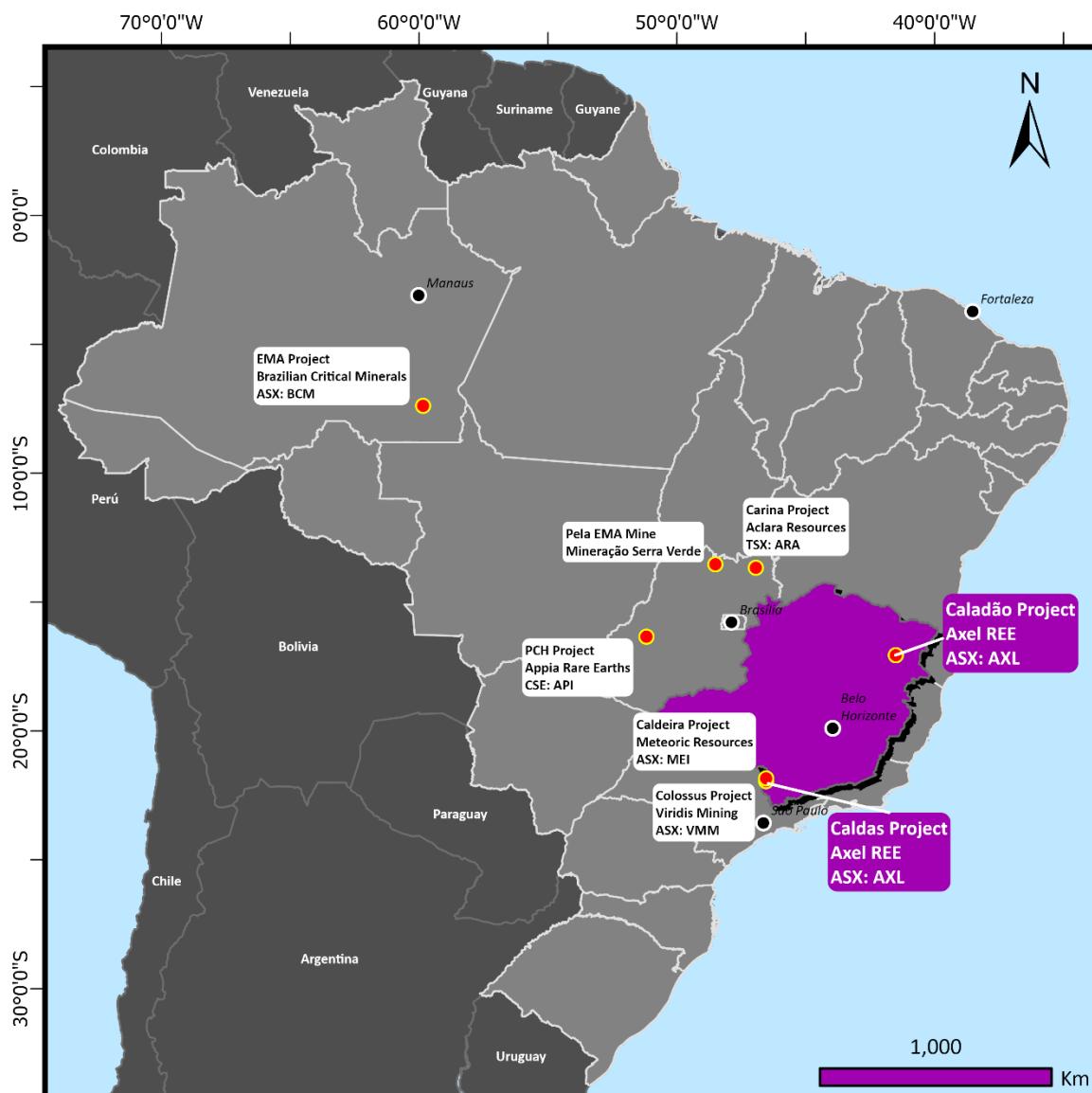


Figure 6. Map of Axel REE key projects in Brazil

Competent Persons Statement

The information in this announcement that relates to Exploration Results 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 activity 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 23 December 2025, "Axel MRE Delivers 145% REE Growth and 339% Gallium Growth"
- AXL ASX release 26 November 2025, "Breakthrough REE Metallurgy at Caladao In Situ Leach Target"
- AXL ASX release 13 November 2025, "Gallium and REE Resources To Expand With MRE at Area B"
- AXL ASX release 17 October 2025, "REE-Ga Licences Granted to Expand Caladao REE-Ga Resources"
- AXL ASX release 1 October 2025, "REE Mineral Resource Estimate"
- AXL ASX release 22 August 2025, "100Mt Gallium Mineral Resource Estimate"

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 31 December 2025

Tenement Number	Area (ha)	Holder	Location	Interest	Expiry Date
830500/2023	1460.5	Axel REE Ltda	Piauí	100%	28-Jul-2026
830882/2023	8.12	Axel REE Ltda	Piauí	100%	28-Jul-2026
830883/2023	57.57	Axel REE Ltda	Piauí	100%	Application pending
830886/2023	47.58	Axel REE Ltda	São Paulo	100%	28-Jul-2026
830888/2023	7.77	Axel REE Ltda	São Paulo	100%	28-Jul-2026
830889/2023	442.8	Axel REE Ltda	São Paulo	100%	Application pending
830890/2023	363.73	Axel REE Ltda	Minas Gerais	100%	28-Jul-2026
830891/2023	5.63	Axel REE Ltda	Minas Gerais	100%	28-Jul-2026
830893/2023	24.65	Axel REE Ltda	Minas Gerais	100%	28-Jul-2026
803030/2023	1997.87	Axel REE Ltda	Minas Gerais	100%	23-Mar-2026
803031/2023	1977.23	Axel REE Ltda	Minas Gerais	100%	30-Mar-2026
803032/2023	1957.15	Axel REE Ltda	Minas Gerais	100%	30-Mar-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	1603.14	Axel REE Ltda	Minas Gerais	100%	26-Sep-2026
830082/2023	1549.63	Axel REE Ltda	Minas Gerais	100%	27-Feb-2026
830083/2023	1995.5	Axel REE Ltda	Minas Gerais	100%	7-Feb-2026
830084/2023	1327.5	Axel REE Ltda	Minas Gerais	100%	7-Mar-2026
830085/2023	1454.03	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026
830451/2023	1919.96	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026
830452/2023	148.72	Axel REE Ltda	Minas Gerais	100%	28-Mar-2026
830453/2023	1502.79	Axel REE Ltda	Minas Gerais	100%	19-Jun-2026
830454/2023	1299.51	Axel REE Ltda	Minas Gerais	100%	23-Mar-2026
830455/2023	1227.51	Axel REE Ltda	Minas Gerais	100%	23-May-2026
830456/2023	1080.58	Axel REE Ltda	Minas Gerais	100%	28-Mar-2026
830457/2023	1317.8	Axel REE Ltda	Minas Gerais	100%	Application pending
830458/2023	1714	Axel REE Ltda	Minas Gerais	100%	23-Mar-2026
830459/2023	1599.56	Axel REE Ltda	Minas Gerais	100%	9-May-2026
830460/2023	1435.97	Axel REE Ltda	Minas Gerais	100%	Application pending
830461/2023	1914.17	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026
830462/2023	1978.71	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026
830463/2023	1917.61	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026
830464/2023	1991.16	Axel REE Ltda	Minas Gerais	100%	23-Mar-2026
830465/2023	1912.78	Axel REE Ltda	Minas Gerais	100%	19-Jun-2026
830466/2023	1968.93	Axel REE Ltda	Minas Gerais	100%	18-Apr-2026
830467/2023	826.86	Axel REE Ltda	Minas Gerais	100%	Application pending
830468/2023	910.99	Axel REE Ltda	Minas Gerais	100%	Application pending
830469/2023	1972.5	Axel REE Ltda	Minas Gerais	100%	23-Mar-2026
830505/2023	1033.42	Axel REE Ltda	Minas Gerais	100%	4-May-2026
830506/2023	786.64	Axel REE Ltda	Minas Gerais	100%	4-May-2026
830515/2023	1963.87	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026

Tenement Number	Area (ha)	Holder	Location	Interest	Expiry Date
830516/2023	1947.1	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026
830527/2023	386.89	Axel REE Ltda	Minas Gerais	100%	23-Mar-2026
830880/2023	357.8	Axel REE Ltda	Minas Gerais	100%	Application pending
830881/2023	32.34	Axel REE Ltda	Minas Gerais	100%	Application pending
830884/2023	24.43	Axel REE Ltda	Minas Gerais	100%	28-Jul-2026
830885/2023	695.36	Axel REE Ltda	Minas Gerais	100%	Application pending
830887/2023	25.17	Axel REE Ltda	São Paulo	100%	Application pending
830895/2023	102.82	Axel REE Ltda	São Paulo	100%	Application pending
831084/2023	1950.77	Axel REE Ltda	São Paulo	100%	23-May-2026
831086/2023	1886.07	Axel REE Ltda	Minas Gerais	100%	31-May-2026
831087/2023	1998.07	Axel REE Ltda	Minas Gerais	100%	23-May-2026
831088/2023	1956.82	Axel REE Ltda	Minas Gerais	100%	23-May-2026
831089/2023	1983.83	Axel REE Ltda	Minas Gerais	100%	23-May-2026
831090/2023	1333.64	Axel REE Ltda	Minas Gerais	100%	23-May-2026
831092/2023	1085.01	Axel REE Ltda	Minas Gerais	100%	31-May-2026
833340/2023	936.03	Axel REE Ltda	Minas Gerais	100%	Application pending
833341/2023	1130.7	Axel REE Ltda	Minas Gerais	100%	Application pending
866051/2023	9892.33	Axel REE Ltda	Mato Grosso	100%	8-Mar-2026
866052/2023	9989.08	Axel REE Ltda	Mato Grosso	100%	Cancelled ²
866054/2023	9944.86	Axel REE Ltda	Mato Grosso	100%	Cancelled ²
866055/2023	9753.55	Axel REE Ltda	Mato Grosso	100%	Cancelled ²
831458/2020	1574.47	Axel REE Ltda	Minas Gerais	100%	27-Nov-2027
831515/2020	884.39	Lobo Guara Mineracao e Representacao Eireli ¹	Minas Gerais	100%	10-Oct-2028 ³
831383/2025	43.24	Lobo Guara Mineracao e Representacao Eireli ¹	Minas Gerais	100%	10-Oct-2028 ³
831384/2025	42.10	Lobo Guara Mineracao e Representacao Eireli ¹	Minas Gerais	100%	10-Oct-2028 ³
831524/2020	1023.9	Foxfire Metals Ltda ¹	Minas Gerais	100%	Application pending

¹100% beneficial interest in the mineral rights (other than lithium) in the REE Tenements were assigned to the Company.

²During the quarter, the Company resolved to cancel tenements 866052/2023, 866054/2023 and 866055/2023 due to lack of prospectivity.

³During the quarter, tenements 831515/2020, 831383/2025 and 831384/2025 were granted to Lobo Guara Mineracao e Representacao Eireli, whereby Axel REE holds 100% beneficial interest in the tenements.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AXEL REE LIMITED

ABN

50 665 921 273

Quarter ended ("current quarter")

31 DECEMBER 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 6 months \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(482)	(1,047)
(b) development	-	-
(c) production	-	-
(d) staff costs	(29)	(55)
(e) administration and corporate costs	(297)	(700)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	32	132
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST refunds)	26	64
1.9 Net cash from / (used in) operating activities	(750)	(1,606)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 6 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	-	-
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5 Proceeds from borrowings	-	150
3.6 Repayment of borrowings	-	(150)
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	-	-
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	7,859	8,714
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(750)	(1,606)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 6 months \$A'000
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	7,108	7,108
 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	3,108	3,858
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (Term Deposits)	4,000	4,000
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,108	7,858
 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	(148)	
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-	
<p><i>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.</i></p> <p><i>Refer section 5.3.5 of quarterly activity report for further explanation of related party payments.</i></p>		

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
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)	(750)
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)	(750)
8.4	Cash and cash equivalents at quarter end (item 4.6)	7,858
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	7,858
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.48
	<i>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.</i>	
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.

28 January 2026

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.