SEPTEMBER 2024 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS:

Caladão REE Project (Lithium Valley) – Phase 1 Diamond Drill Program Commenced

- 20,000m drill program launched, with Phase 1 2,600m diamond drilling with additional auger drilling commenced
- Drilling program aims to test the depth and extension potential of the open REE mineralisation from 25km of mineralized REE strike
- Previous shallow auger drilling indicated REE mineralisation is open in all directions and at depth
- The Caladão Project is located in the Lithium Valley in Minas Gerais, nearby Sigma Lithium Corp's lithium mine and infrastructure

Caldas REE Project (Poços de Caldas) – Phase 1 Drilling Program Commenced

- Phase 1 auger drill program targeting five priority prospect zones commenced
- Drilling will test prospects adjacent to Meteoric Resources (ASX:MEI) and Viridis Mining's (ASX:VMM) high-grade ionic adsorption clay (**IAC**) REE discoveries
- Thick clay-rich zones identified from channel samples around the weathering profile identified and will be drilled to test the depth of the saprolite profiles
- Up to 7,099ppm TREO with high grade magnetic rare earths discovered post-quarter end at prospect inside the Alkaline Complex, with additional results pending

Itiquira Niobium/REE Project (Mato Grosso) – Reconnaissance Program Commenced

- Geological reconnaissance and scouting program have commenced
- The program comprises mapping and sampling followed by shallow scout auger drilling
- Itiquira has the same tectonic setting and geological and geophysical attributes as other major REE and Niobium-rich intrusions in Brazil (Araxá, Catalão, Poços de Caldas)
- Itiquira's magnetic bullseye signature covers a 25km north-south by 20km east-west diameter

Corporate

- Axel REE commenced trading on the ASX following a successful Initial Public Offering, raising $13.3 million (before costs)
- Bonus Options Offer initiated on the basis of one option for every two shares held by Eligible Shareholders at 5pm (AEDT) on 31 January 2025
- Axel is fully funded to accelerate multiple exploration programs running concurrently with $11.2M cash at end of the quarter

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Axel REE Limited (ASX: AXL, "**Axel**" or "**the Company**") is pleased to provide its inaugural Quarterly Activities and Cashflow Report for the three-month period ending 30 September 2024, following its successful listing on the Australian Securities Exchange (**ASX**) on 23 July 2024 through an Initial Public Offering (**IPO**) raising $13.3 million (before costs), which was strongly supported by domestic and international institutional, professional and retail investors.

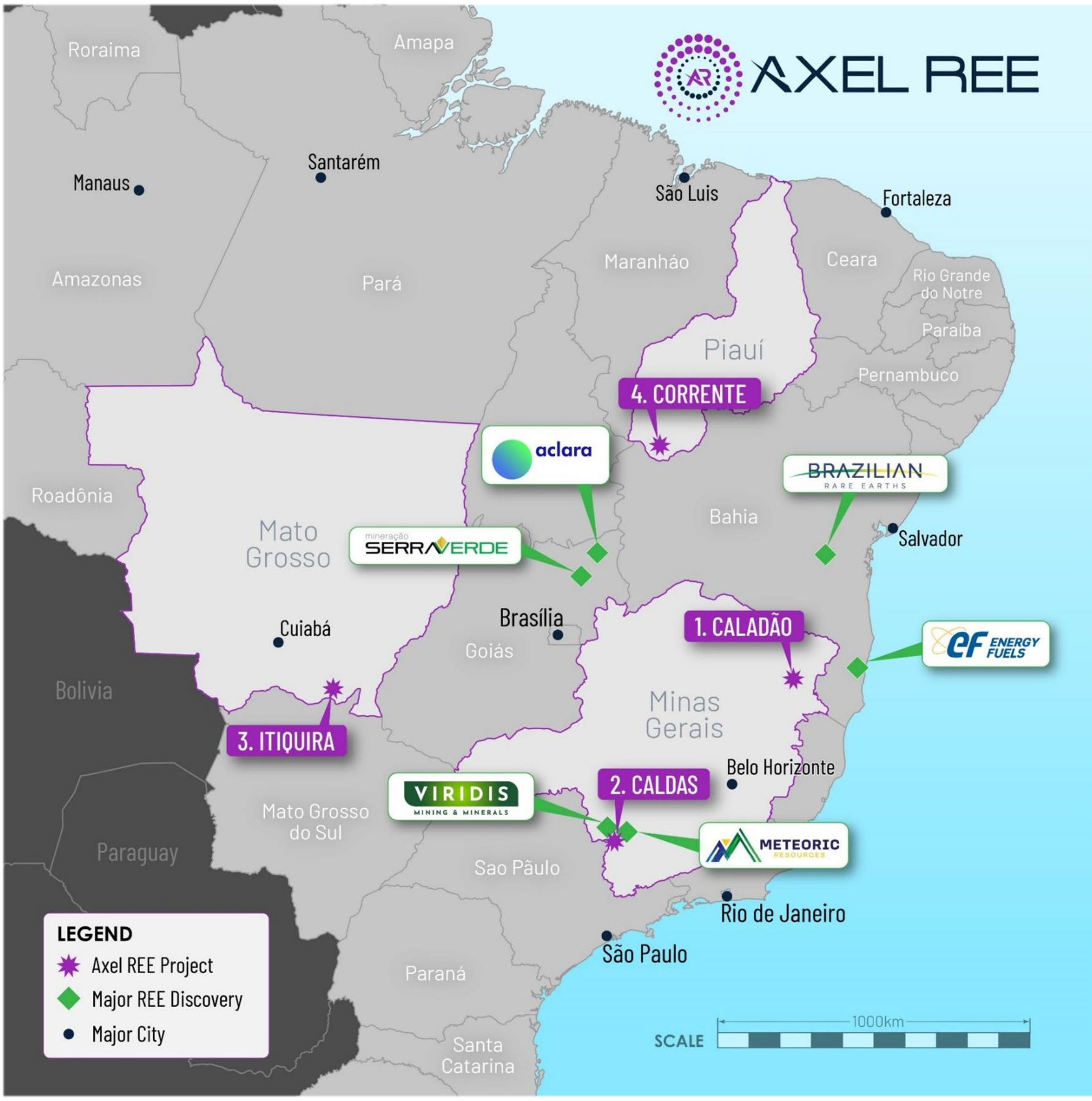

Figure 1 - Location map of Axel REE's projects in relation to other major projects in Brazil.

Brazil Portfolio

Axel's 100%-owned portfolio over 1,000km^2 in Brazil comprises:

- **Caladão Project** – Located in the Lithium Valley region, the project comprises approximately 438 km^2 of granted exploration tenements and exploration tenement applications. Over 25km of mineralised REE strike was uncovered from 48 auger drill holes with high-grade shallow REE intercepts including **2m @ 7,612ppm TREO, 2,717ppm NdPr and 178ppm DyTb from 12m (CLD-AUG-025)**.

Hole	From (M)	To (M)	Interval (M)	TREO[1] (ppm)	MREO[2] (ppm)
CLD-AUG-005	0	10	10	3,012	742
CLD-AUG-008	6	14	8	2,835	810
CLD-AUG-019	0	10	10	2,423	708
CLD-AUG-020	8	16	8	2,303	445
CLD-AUG-021	6	12	6	2,152	615
CLD-AUG-025	12	14	2	7,612	2,895
CLD-AUG-026	2	8	6	2,042	561
CLD-AUG-028	2	20	18	2,678	704

Table 1: Significant auger drill results from 2023 drill program at Caladão Area A

- **Caldas REE Project –** Located in the south of Minas Gerais, the project comprises 232 km^2 of granted exploration licenses and exploration license applications. The Caldas Project is located amongst significant ionic adsorption clay (**IAC**) REE discoveries, including ASX: MEI's high-grade Caldeira Resource. The Company holds an expansive strategic portfolio of tenements both inside the Alkaline Complex and around the weathering profile. Initial results from a geochemistry program completed in 2023 indicate that REE mineralisation is not limited to the Project areas within the Poços de Caldas Alkaline Complex, but mineralisation could potentially extend within the weathering profile of the neighbouring gneissic rocks.

- **Itiquira Niobium/REE Project** – Located in the state of Mato Grosso, Itiquira is potentially a company-making project with the right geological setting for high-grade REE mineralisation. The Itiquira Project's airborne geophysical signature shows a similar shape, size, and magnetic response to the major REE/Nb Alkaline Complexes in Brazil including Araxá's niobium mine (the world's largest producer accounting for 80% of global niobium supply)

- **Corrente REE Project** - Located in the Corrente Municipality in the Piaui State, Axel plans to carry out a field assessment and geochemical program to evaluate the prospectivity of the area which is a grassroots project covering a saprolite clay zone.

Exploration Activities for the Quarter

Caladão REE Project

Shortly after the Company's listing on the ASX, Axel commenced its Phase 1 exploration program at the Caladão REE Project. This program is part of a planned 20,000m extensive drill campaign to be carried out over the next two years.

The aggressive diamond drilling program aims to extend the open REE mineralisation at two prospects (Area A and Area B) where historical augur drilling previously uncovered 25km of mineralised strike. The Phase 1

[1] TREO represents total rare earth oxides and encompasses the sum of all oxides of rare earth elements (lanthanum – La to lutetium – Lu) and yttrium (Y).
[2] MREO represents rare earth elements used in magnet production and includes the sum of oxides of four specific rare earth elements, namely praseodymium (Pr), neodymium (Nd), dysprosium (Dy) and terbium (Tb).

program will also test the depth of the clay profile with diamond drilling, the most effective method to drill to bedrock. Previous auger drilling (to average 15m depth) indicated REE mineralisation is open at depth.

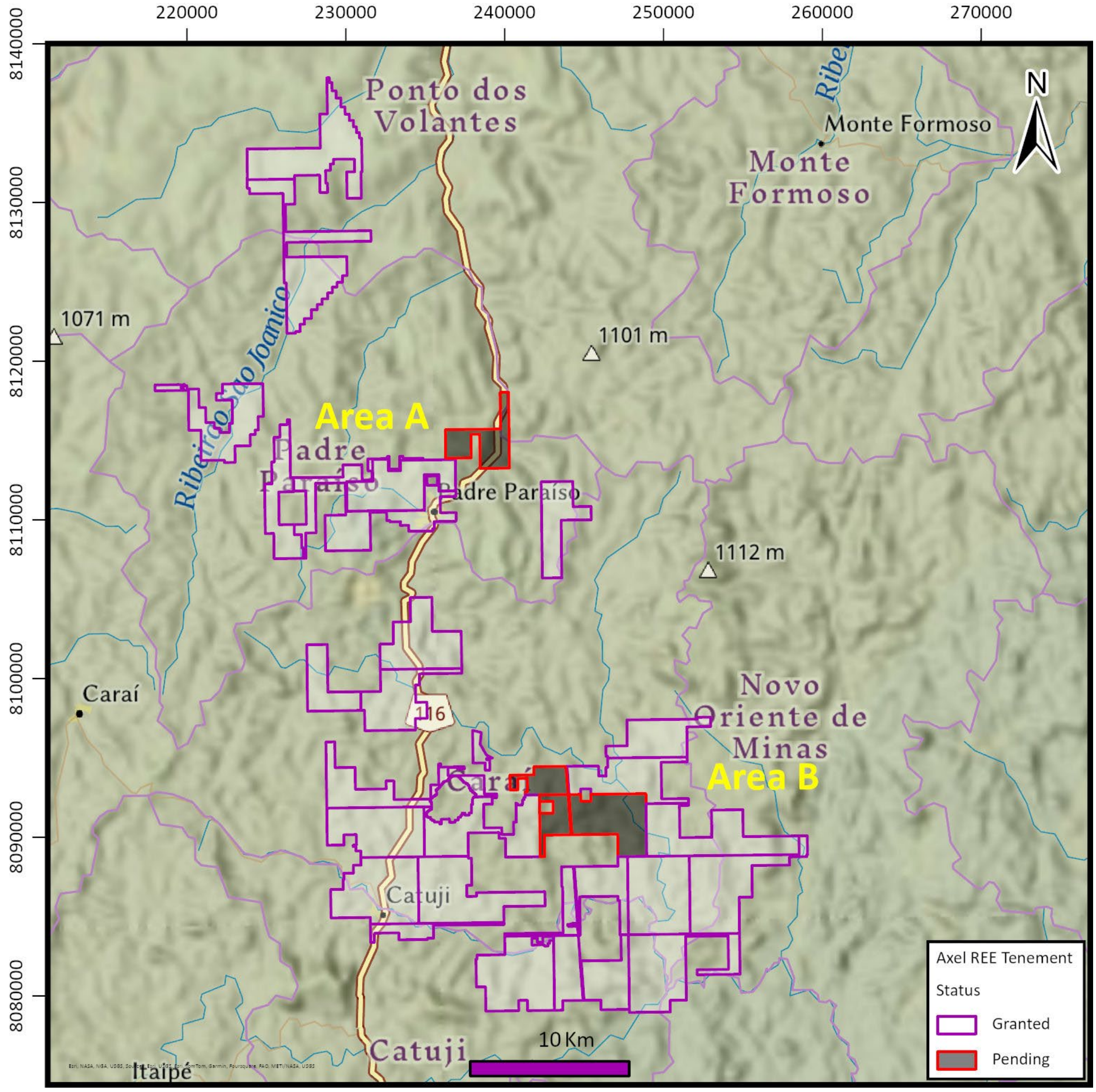

Figure 2 - Map of the Caladão Project showing the distribution of Axel's tenements

Axel's initial diamond drill program at Caladão will total ~2,600 metres of drilling in conjunction with auger drilling. 13 of the Area B holes will test an outstanding airborne ring-shaped thorium anomaly spanning ~18km diameter, which Axel believes may be related to REE-bearing clays. Another 15 of the holes in area B were collared along a line offset 800 metres laterally from the historical auger holes, with holes every 400 metres along the line. Given the initial exploratory nature of this program, collaring may vary depending on results.

Figure 3: Diamond drill rig in operation at Caladão Project Phase 1 drill program

Post-quarter end, 77 auger and diamond drillholes have been completed across key target areas. Drill samples have been sent to SGS and are expected to return in batches progressively in the coming weeks. The data collected from these drillholes will be used to support a potential REE resource within this project area.

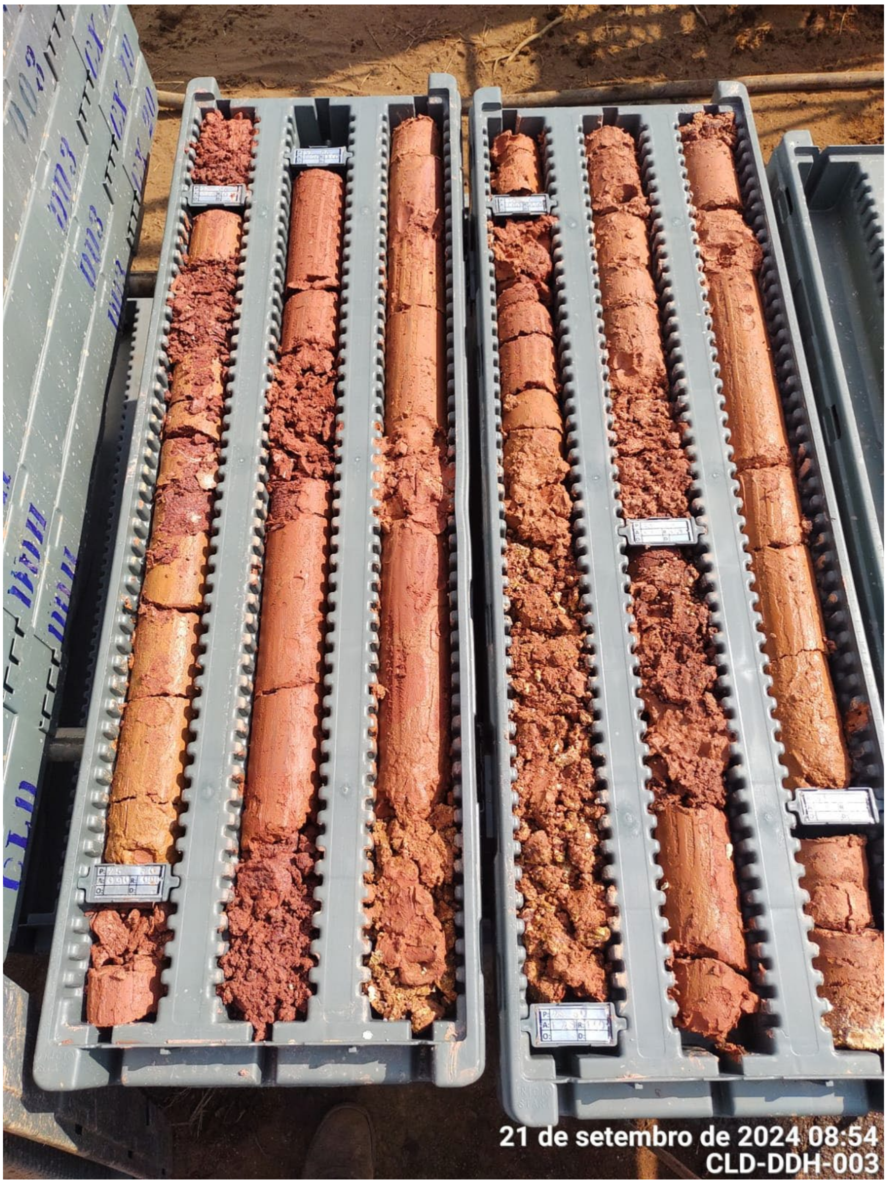

Figure 4: Caladão Project diamond drill core tray (CLD-DDH-003) showing thick kaolinite-rich weathering profile.

Caldas Project

During the quarter the Company commenced its maiden drill program at the Caldas REE Project, located in the highly prospective Poços de Caldas Alkaline Complex, a world-class REE intrusive in the southwest region of the State of Minas Gerais.

This unique Alkaline Complex has a diameter of over 30 km and hosts globally significant IAC REE discoveries including Meteoric Resources NL's (ASX:MEI) Mineral Resource Estimate (**MRE**) of 740Mt @ 2,572ppm TREO (Measured + Inferred + Indicated)[1] and Viridis Mining & Minerals Limited's (ASX:VMM) MRE of 201Mt @ 2,590ppm TREO (Indicated + Inferred)[2].

[1] Meteoric Resources NL (ASX:MEI) ASX release 5 August 2024 "Updated Figueira Mineral Resource Estimate"
[2] Viridis Mining & Minerals Limited (ASX:VMM) ASX release 4 June 2024 "Globally Significant Maiden MRE for Colossus IAC"

The first phase auger drill program will target five priority prospect zones covering 222km². It will initially test prospects inside the Caldera, which are adjacent to Meteoric Resources and Viridis Mining's high-grade IAC REE discoveries, to identify targets for a Phase 2 resource drilling program. Axel identified new clay-rich zones in previous exploration along the edges of the Caldera, and will also be drilled to test the depth of the saprolite profiles and for REE mineralization.

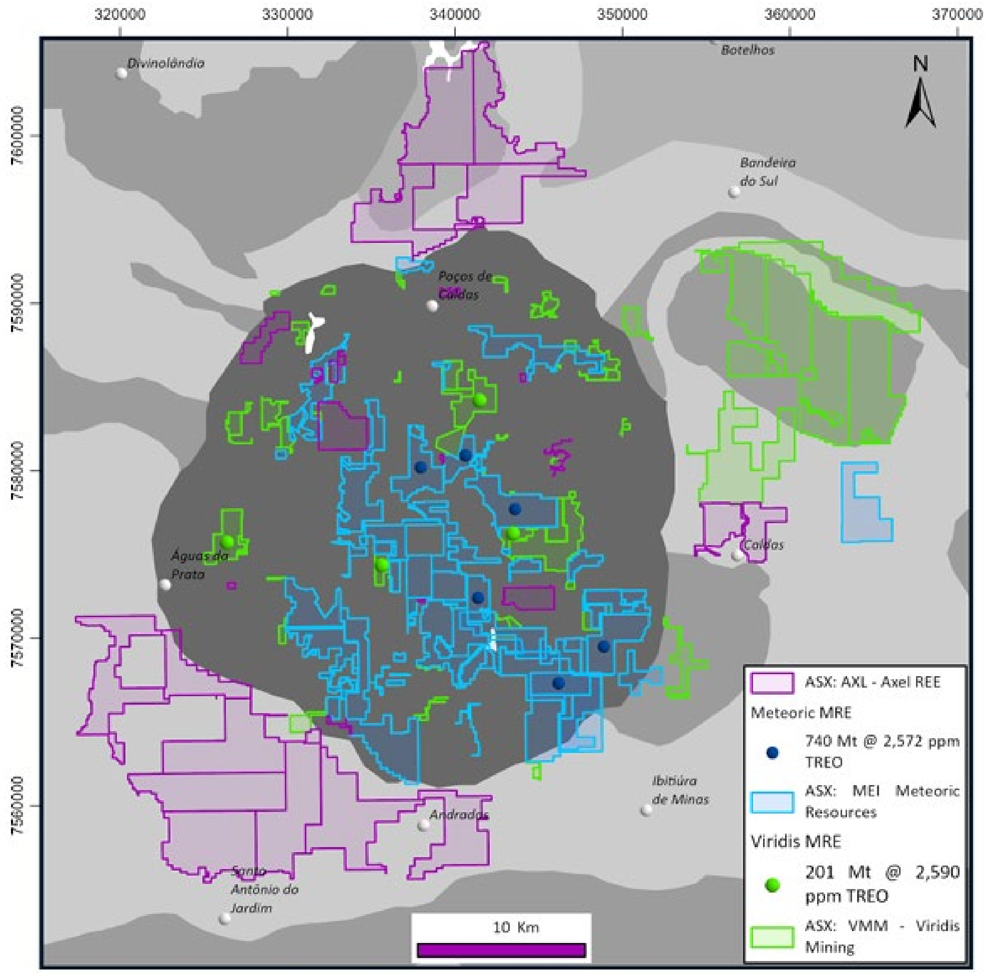

Figure 5 - Poços de Caldas Alkaline Complex with world-class REE discoveries neighbouring Axel's Caldas Project areas

The Company also carried out initial scouting along the edges of the Alkaline Complex following the Company's IPO which revealed zones of intense weathering developed along the contact zone with the host alkaline granite. The supergene profile has exposures up to 11m thick and is constantly very rich in kaolinite. Several channels were dug and samples were taken along these clay-rich profiles, with assays still pending.

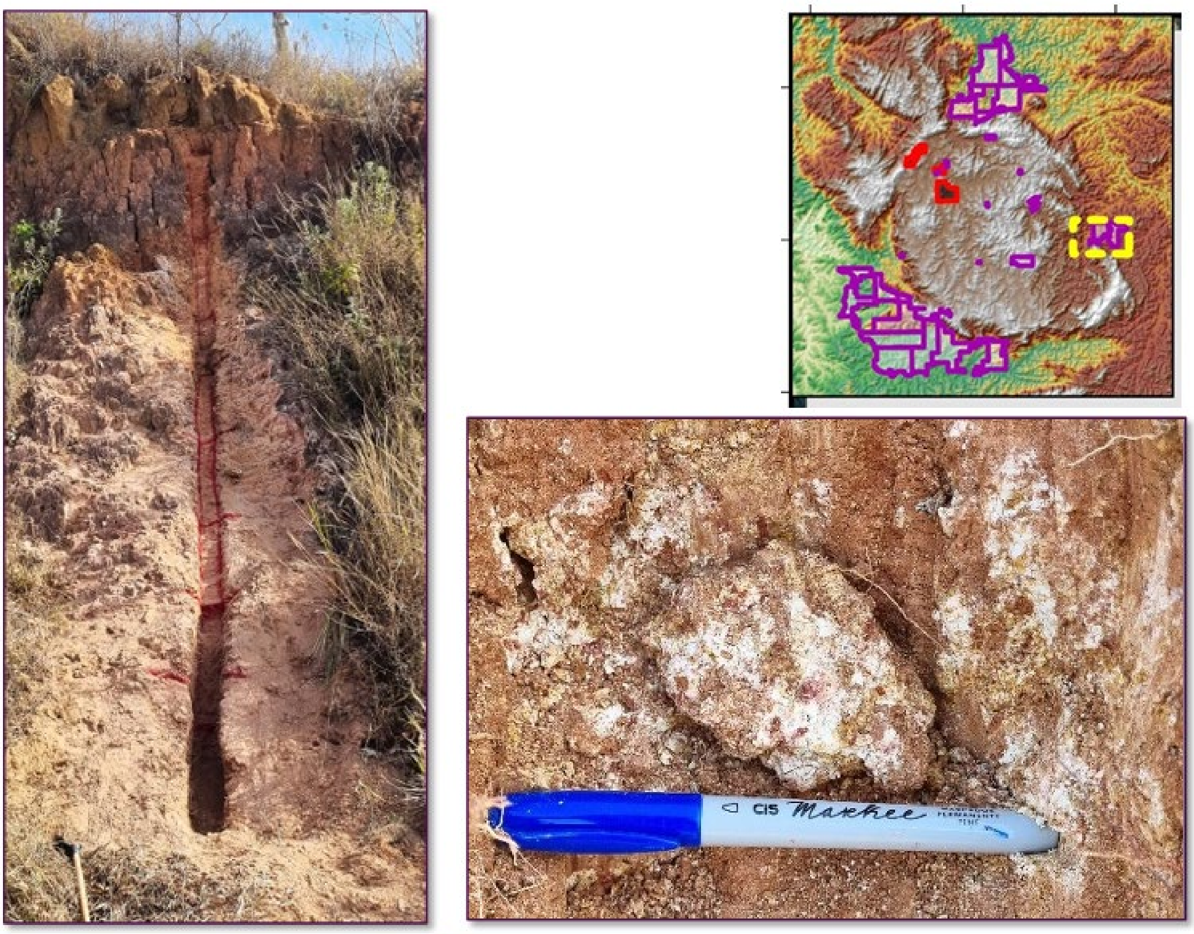

Figure 6 - 9m channel sample taken over the kaolinite weathering profile at the East-Caldas prospect, assays are pending

The previous geochemical programs carried out at 13 of the 28 licenses at Caldas returned significant surface grab sample results up to 2,420ppm TREO with up to 488ppm NdPr and 30ppm DyTb. All of the tenements previously tested were mineralised with significant REE values above 1,000ppm TREO cutoff from tenements inside the Alkaline Caldera, along the contact zone, and in the near adjacent areas.

Post-quarter end, the Company received the first batch of auger drilling REE assays from SGS Geosol laboratory from its prospect inside the Caldara, with exceptional TREO intercepts up to 7,099ppm TREO and importantly high concentrations of high-value neodymium and praseodymium (**NdPr**) and dysprosium and terbium (**DyTb**).

Hole	From	To	Interval (M)	TREO (ppm)	MREO (ppm)	MREO (%)	DyTb (ppm)	NdPr (ppm)
CAL-AUG-001	0	11	11	3,273	894	24	47	847
including	**9**	**10**	**1**	**7,099**	**2,446**	**34**	**136**	**2,310**
ending with	**9**	**11**	**3**	**5,609**	**1,929**	**34**	**108**	**1,821**
CAL-AUG-002	0	12.7	12.7	2,222	565	23	35	530
including	**9**	**10**	**1**	**3,033**	**933**	**31**	**60**	**873**
ending with	**5**	**12**	**8**	**2,602**	**772**	**29**	**47**	**725**
CAL-AUG-003	0	20	20	3,082	853	26	48	805
including	**15**	**16**	**1**	**6,536**	**2,077**	**32**	**143**	**1,935**
ending with	**9**	**20**	**11**	**3,699**	**1,130**	**30**	**68**	**1,062**
CAL-AUG-004	0	9	9	1,782	345	18	24	321
including	**8**	**9**	**1**	**2,654**	**738**	**28**	**43**	**695**
ending with	**6**	**9**	**3**	**2,309**	**623**	**27**	**35**	**588**

Table 2: Summary of progress auger drill results from Caldas REE prospect inside the Alkaline Caldera

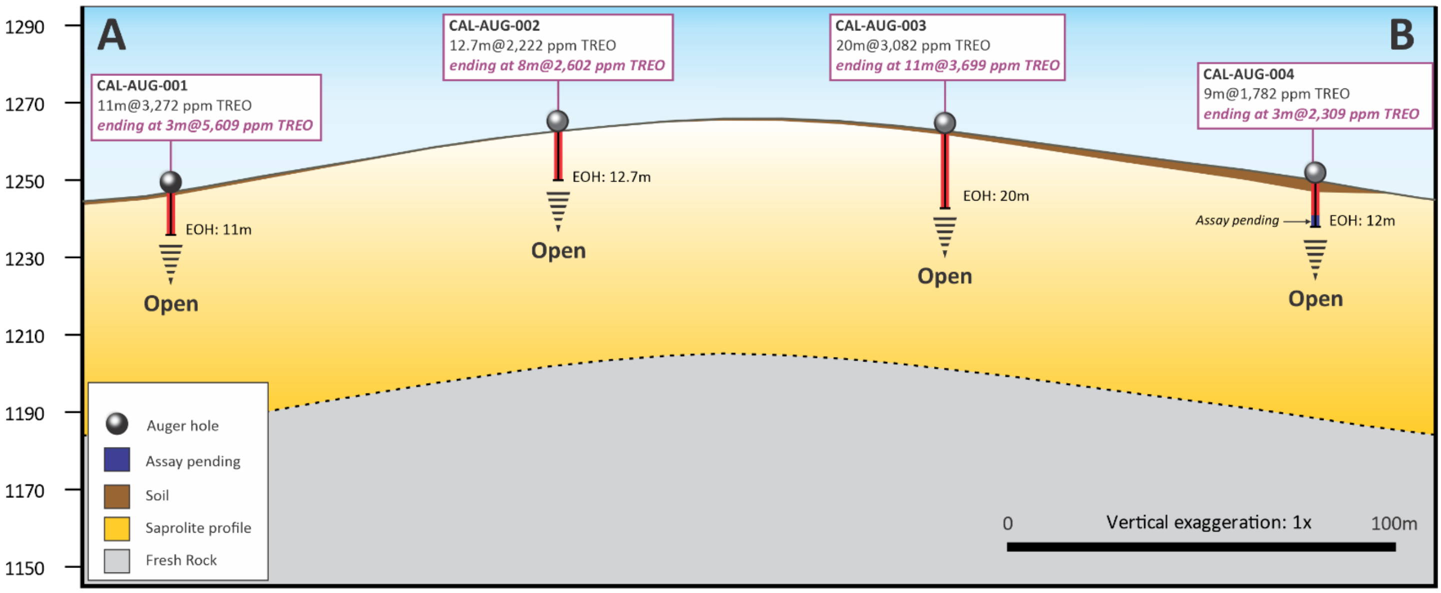

Figure 7 - Cross section of auger holes (potential fresh rock zone depth interpreted)

The progress results all returned increasingly high-grade TREO mineralisation at end of hole, which indicates the continuation of mineralisation at depth.

Itiquira Project

Also during the quarter Axel commenced a geological reconnaissance and scouting program at the Itiquira Project. Itiquira is interpreted to be an Alkaline Igneous Complex, associated with the Transbrasiliano Lineament. This deep transcontinental structure, together with the 125 AZ Lineament, controlled the ascent and emplacement of mantle-derived magmas during the Cretaceous. Intrusive complexes controlled by these structures include the Araxá and Catalão Carbonatitic Complexes, which contain world class niobium and phosphate mines.

The Itiquira Project combines several geological, geophysical, and geotechnical attributes that underscore its high niobium prospectivity. This potential alkaline intrusive complex has an oval to rounded shape and a diameter of 25 km in the NS- and 20km in the EW-direction, analogous to many other Alkaline intrusions that occur along the margins of the Phanerozoic Paraná Basin. All of these Alkaline intrusives, including the Araxá and Catalão mines, exhibit strong bullseye magnetic signatures on airborne geophysical surveys, which is a characteristic/feature also present at Itiquira.

In addition to the same geological setting of other Alkaline Intrusives, Itiquira is hosted by Upper Cretaceous eolian sandstones of the Marilia Formation, which places Itiquira within the same timeframe as other REE and Nb-rich Alkaline Intrusions in Brazil.

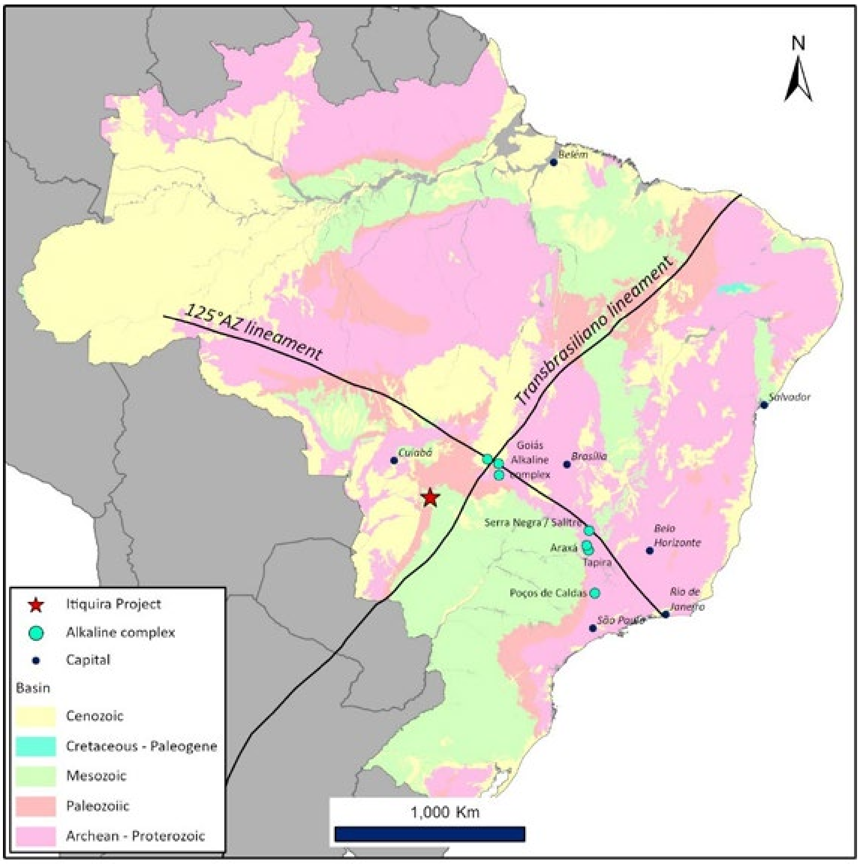

Figure 8: Geological map of Brazil, highlighting the 125 AZ and the Transbrasilano lineaments, which are major transcontinental faults that controlled the emplacement of a great number and variety of mantle-derived alkaline intrusions in the Upper Cretaceous

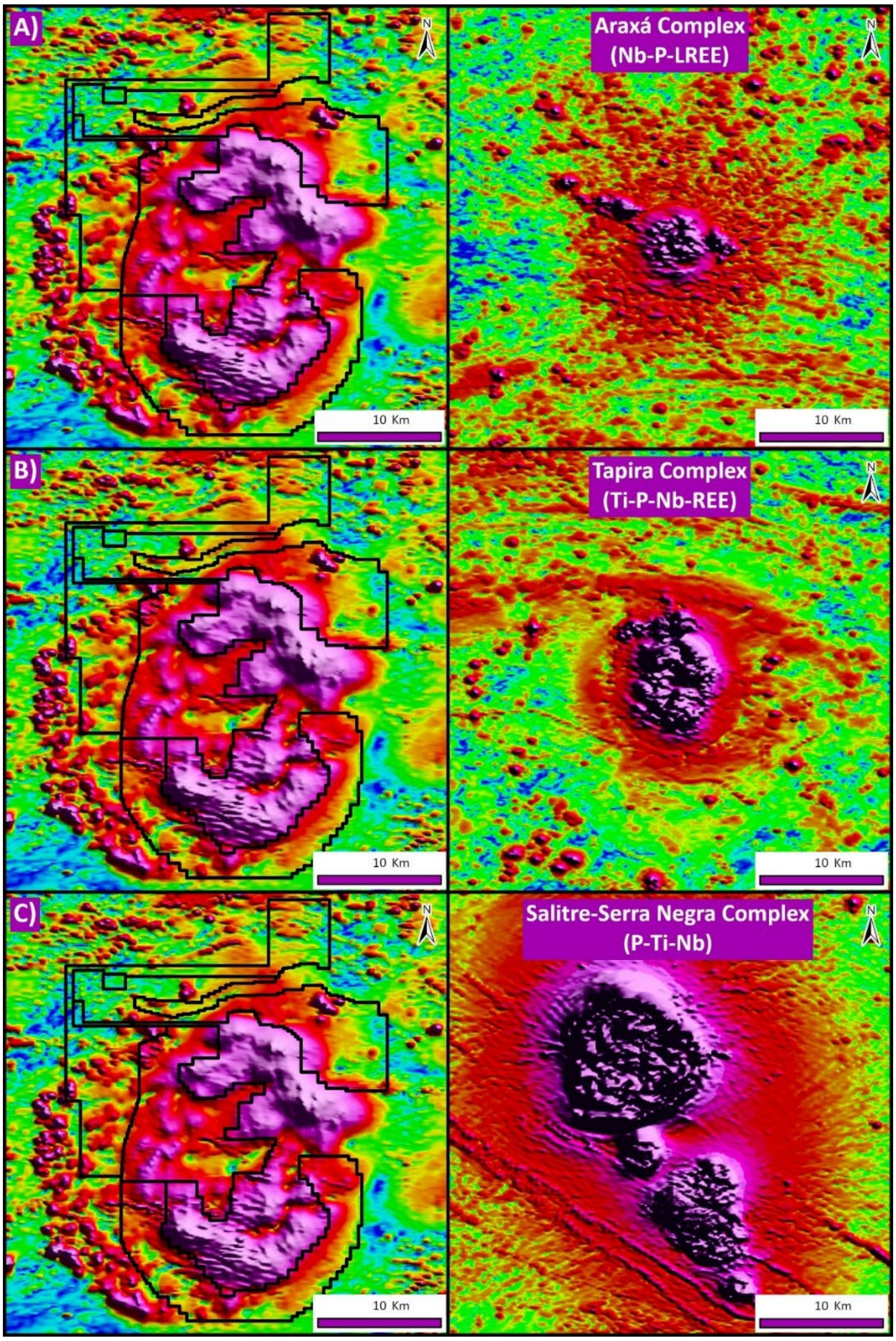

Figure 9: Comparison of Axel's Itiquira Project Airborne magnetics (Left) to Araxá (A), Tapira Complex (B) and Salitre-Serra Negra complex (C). All maps on the same scale.

Corporate Activities for the Quarter

IPO and Commencement of Trading

On 23 July 2024, Axel commenced trading on the ASX under the ASX code "AXL" following the completion of IPO raising $13.3 million (before costs). The IPO comprised a well-supported institutional offer and a retail offer that met minimum spread requirements. Bell Potter Securities Limited acted as Lead Manager to the IPO.

Axel is fully funded to progress its Brazilian portfolio of assets, with IPO proceeds enabling the commencement of multiple exploration programs progressing concurrently across its key REE and niobium projects.

Loyalty Options Offer

During the quarter the Company announced a non-renounceable pro-rata bonus issue of options on the basis of one (1) option (**Loyalty Option**) for every two (2) shares held by eligible shareholders at 5pm (AEDT) on 31 January 2025 (**Record Date**) for nil consideration per Loyalty Option (**Loyalty Option Offer**).

The Loyalty Option Offer was designed to acknowledge the support and loyalty the Company has received from its shareholders, many of which having supported the Company at or prior to the IPO. In addition, the options will provide the Company with a potential source of additional capital if the options are exercised in the future.

Each Loyalty Option will be exercisable for one (1) fully paid ordinary share, at the exercise price of $0.20 per Loyalty Option on or before the expiry date being 7 February 2028. The Loyalty Option Offer is being made to all shareholders of the Company named on its register of members at the Record Date, whose registered address is in Australia or New Zealand (Eligible Shareholders).

The Company will apply to the ASX for the quotation of the Loyalty Options issued under the Entitlement Offer, subject to compliance with the requirements under the ASX Listing Rules.

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 $257,136.

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.

5.3.4.

For the purpose of ASX Listing Rule 5.3.4, a comparison of the use of funds as per the Axel REE Prospectus dated 7 June 2024 (**Prospectus**) and actual use of funds since ASX admission is presented below:

Use of Funds	Prospectus Estimate (2 year period following admission) ($ million)	Actual use of Funds until 30 September 2024 ($ million)	Variance
Exploration at the Projects	9.65	0.35	(9.30)
Expenses of the Offer	1.14	1.10	(0.04)
General and administration costs	2.51	0.79	(1.72)
Working capital	0.52	0.05	(0.47)
Total	**13.82**	**2.30**	**(11.52)**

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.
- As 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, as a large amount of the Company's exploration work is planned over the next 20 months, including progressing the current exploration programs that primarily consist of drilling across three projects, as set out in this announcement and the Prospectus.

5.3.5.

For the purpose of ASX Listing Rule 5.3.5, the Company made payments of approximately $684,635 to related parties and their associates. These payments include IPO remuneration, non-executive directors' fees and superannuation contributions, company secretary fees and geological consulting fees totalling $626,635. The Company also completed an arms length purchase of a portable XRF device from a director-associated entity for $58,000 (including GST).

This announcement was authorised by the Board of Directors.

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About Axel REE

Axel REE is an exploration company which is primarily focused on exploring the Caladão, Caldas, Itiquira, and Corrente rare earth elements (REE) and other critical minerals projects in Brazil. Together, 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 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.

Reference to Previous Announcements

The information in this announcement is extracted from:

- The Company's Replacement Prospectus dated 7 June 2024 (**Prospectus**)
- AXL ASX announcement released on 31 July 2024 "*Diamond Drilling Program Commences at Caladão*"
- AXL ASX announcement released on 2 September 2024 "*Drill Program Commences Inside the Pocos de Caldas Caldera*"
- AXL ASX announcement released on 6 September 2024 *"Niobium Geological Reconnaisance and Scouting to Commence at Itiquira Project"*
- AXL ASX announcement released on 7 October 2024 "Loyalty Options Offer"
- AXL ASX announcement released on 23 October 2024 *"High Grade REE up to 7,099ppm TREO From First Batch of Assays Received at Poços de Caldas"*

For the purpose of ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above announcement. No material exploration data or results are included in this document that have not previously been released publicly.

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 the inclusion in the report of the matters based on their information in the form and context in which it appears.

Schedule 1 – Tenements at 30 September 2024

Tenement Number	Area (ha)	Holder	Location	Interest[1]	Expry Date
830457/2023	1,317.80	Axel REE Ltda	Minas Gerais	100%	14-Oct-2027
830466/2023	1,968.93	Axel REE Ltda	Minas Gerais	100%	18-Apr-2026
830453/2023	1,502.79	Axel REE Ltda	Minas Gerais	100%	19-Jun-2026
830465/2023	1,912.78	Axel REE Ltda	Minas Gerais	100%	19-Jun-2026
830467/2023	826.86	Axel REE Ltda	Minas Gerais	100%	20-Sep-2027
830468/2023	910.99	Axel REE Ltda	Minas Gerais	100%	20-Sep-2027
830454/2023	1,299.51	Axel REE Ltda	Minas Gerais	100%	23-Mar-2026
830458/2023	1,714.00	Axel REE Ltda	Minas Gerais	100%	23-Mar-2026
830469/2023	1,972.50	Axel REE Ltda	Minas Gerais	100%	23-Mar-2026
830464/2023	1,991.16	Axel REE Ltda	Minas Gerais	100%	23-Mar-2026
803030/2023	1,997.87	Axel REE Ltda	Minas Gerais	100%	23-Mar-2026
830527/2023	386.89	Axel REE Ltda	Minas Gerais	100%	23-Mar-2026
830455/2023	1,227.51	Axel REE Ltda	Minas Gerais	100%	23-May-2026
831090/2023	1,333.64	Axel REE Ltda	Minas Gerais	100%	23-May-2026
831084/2023	1,950.77	Axel REE Ltda	São Paulo	100%	23-May-2026
831088/2023	1,956.82	Axel REE Ltda	Minas Gerais	100%	23-May-2026
831089/2023	1,983.83	Axel REE Ltda	Minas Gerais	100%	23-May-2026
831087/2023	1,998.07	Axel REE Ltda	Minas Gerais	100%	23-May-2026
820286/2023	16.56	Axel REE Ltda	Minas Gerais	100%	26-Oct-2026
820287/2023	899.49	Axel REE Ltda	Minas Gerais	100%	26-Oct-2026
820319/2023	1,603.14	Axel REE Ltda	Minas Gerais	100%	26-Sep-2026
830082/2023	1,549.63	Axel REE Ltda	Minas Gerais	100%	27-Feb-2026
830887/2023	14.15	Axel REE Ltda	São Paulo	100%	28-Feb-2027
830889/2023	32.88	Axel REE Ltda	São Paulo	100%	28-Feb-2027
830895/2023	67.40	Axel REE Ltda	São Paulo	100%	28-Feb-2027
830500/2023	1,460.50	Axel REE Ltda	Piauí	100%	28-Jul-2026
830884/2023	24.43	Axel REE Ltda	Minas Gerais	100%	28-Jul-2026
830893/2023	24.65	Axel REE Ltda	Minas Gerais	100%	28-Jul-2026
830890/2023	363.73	Axel REE Ltda	Minas Gerais	100%	28-Jul-2026
830886/2023	47.58	Axel REE Ltda	São Paulo	100%	28-Jul-2026
830891/2023	5.63	Axel REE Ltda	Minas Gerais	100%	28-Jul-2026
830888/2023	7.77	Axel REE Ltda	São Paulo	100%	28-Jul-2026
830882/2023	8.12	Axel REE Ltda	Piauí	100%	28-Jul-2026
830456/2023	1,080.58	Axel REE Ltda	Minas Gerais	100%	28-Mar-2026
830452/2023	148.72	Axel REE Ltda	Minas Gerais	100%	28-Mar-2026
803032/2023	1,957.15	Axel REE Ltda	Minas Gerais	100%	30-Mar-2026
803031/2023	1,977.23	Axel REE Ltda	Minas Gerais	100%	30-Mar-2026
831092/2023	1,085.01	Axel REE Ltda	Minas Gerais	100%	31-May-2026
831086/2023	1,886.07	Axel REE Ltda	Minas Gerais	100%	31-May-2026
830085/2023	1,454.03	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026
830461/2023	1,914.17	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026

Tenement Number	Area (ha)	Holder	Location	Interest[1]	Expry Date
830463/2023	1,917.61	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026
830451/2023	1,919.96	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026
830516/2023	1,947.10	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026
830515/2023	1,963.87	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026
830462/2023	1,978.71	Axel REE Ltda	Minas Gerais	100%	3-Apr-2026
830505/2023	1,033.42	Axel REE Ltda	Minas Gerais	100%	4-May-2026
830506/2023	786.64	Axel REE Ltda	Minas Gerais	100%	4-May-2026
866055/2023	9,753.55	Axel REE Ltda	Mato Grosso	100%	6-Jun-2026
866054/2023	9,944.86	Axel REE Ltda	Mato Grosso	100%	6-Jun-2026
866052/2023	9,989.08	Axel REE Ltda	Mato Grosso	100%	6-Jun-2026
830083/2023	1,995.50	Axel REE Ltda	Minas Gerais	100%	7-Feb-2026
830084/2023	1,327.50	Axel REE Ltda	Minas Gerais	100%	7-Mar-2026
866051/2023	9,892.33	Axel REE Ltda	Mato Grosso	100%	8-Mar-2026
830459/2023	1,599.56	Axel REE Ltda	Minas Gerais	100%	9-May-2026
831892/2024	1,130.7	Axel REE Ltda	Minas Gerais	100%	Application pending
833341/2023	1,130.70	Axel REE Ltda	Minas Gerais	100%	Application pending
830460/2023	1,435.97	Axel REE Ltda	Minas Gerais	100%	Application pending
830881/2023	32.34	Axel REE Ltda	Minas Gerais	100%	Application pending
830880/2023	357.80	Axel REE Ltda	Minas Gerais	100%	Application pending
831917/2024	486.96	Axel REE Ltda	Minas Gerais	100%	Application pending
830883/2023	57.57	Axel REE Ltda	Piauí	100%	Application pending
830885/2023	695.36	Axel REE Ltda	Minas Gerais	100%	Application pending
833340/2023	936.03	Axel REE Ltda	Minas Gerais	100%	Application pending
831515/2020	884.39	Lobo Guara Mineracao e Representacao Eireli[2]	Minas Gerais	100%[2]	Application pending
831524/2020	1,023.90	Lobo Guara Mineracao e Representacao Eireli[2]	Minas Gerais	100%[2]	Extension application pending
831458/2020	1,574.47	Foxfire Metals Ltda[2]	Minas Gerais	100%[2]	Extension appliction pending

[1] Interest refers to legal and beneficial ownership of the tenements described in Schedule 1 except for the three tenements referred at 2 below.

[2]Axel REE holds 100% beneficial interest in the mineral rights (other than lithium) in three tenements that were assigned to the Company under an asset sale agreement with Foxfire Metals Pty Ltd. Refer to the Company Prospectus for further details.

Appendix 5B

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

Name of entity

AXEL REE LIMITED

ABN	Quarter ended ("current quarter")
50 665 921 273	30 SEPTEMBER 2024

Consolidated statement of cash flows		Current quarter $A'000	Year to date 3 months $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(257)	(257)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(785)	(785)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	77	77
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (IPO costs expensed to P&L)	(117)	(117)
1.9	**Net cash from / (used in) operating activities**	**(1,082)**	**(1,082)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(93)	(93)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	(54)	(54)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date 3 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**	**(147)**	**(147)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,615	3,615
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(982)	(982)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**2,633**	**2,633**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	9,806	9,806
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,082)	(1,082)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(147)	(147)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,633	2,633

Consolidated statement of cash flows		Current quarter $A'000	Year to date 3 months $A'000
4.5	Effect of movement in exchange rates on cash held	(4)	(4)
4.6	**Cash and cash equivalents at end of period**	**11,206**	**11,206**

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	11,206	9,806
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**11,206**	**9,806**

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	(627)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(58)

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Refer section 5.3.5 of quarterly activity report for further explanation of related party payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,082)
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)	(1,082)
8.4	Cash and cash equivalents at quarter end (item 4.6)	11,206
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	11,206
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	10.36

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: N/A
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

28 October 2024

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.