

AXEL REE LIMITED
ACN 665 921 273

NEW OPTIONS PROSPECTUS

For a pro-rata non-renounceable entitlement issue of one (1) New Option for every two (2) Shares held by those Shareholders registered at the Record Date, for nil upfront consideration (**Offer**).

The New Options have an exercise price of \$0.20 and are exercisable at any time on or before 5.00pm (AEDT) on 7 February 2028.

The New Options are to be issued for nil consideration to Eligible Shareholders. Eligible Shareholders are not required to take any action in relation to the issue of New Options under this Prospectus.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the New Options being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The New Options offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 24 January 2025 was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Options offered by this Prospectus should be considered as highly speculative.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for New Options under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of New Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and New Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.5.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the New Options offered under this Prospectus.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company

has determined the target market for the offer of New Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (www.axelreelimited.com.au).

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.axelreelimited.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an application form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on + 61 3 9249 9555 during office hours or by emailing the Company Secretary at info@axelreelimited.com.au.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of New Options issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as

given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Eastern Daylight Time.

Privacy statement

The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on + 61 3 9249 9589.

CORPORATE DIRECTORY

Directors

Paul Dickson
Non-Executive Chairman

Fernando Tallarico
Managing Director

Pat J Volpe
Non-Executive Director

Ian Kiers
Non-Executive Director

Company Secretary

Patrick A Volpe

Registered Office

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Email: info@axelreelimited.com.au

Website: www.axelreelimited.com.au

Auditor*

PKF Audit (Perth)
Level 5, 35 Havelock Street
WEST PERTH WA 6005

Share Registry*

Automic Pty Ltd
Suite 5, Level 12, 530 Collins Street
MELBOURNE VIC 3000

Telephone: 1300 288 664

Australian Legal Advisers

Steinepreis Paganin
Level 6, 99 William Street
MELBOURNE VIC 3000

Brazilian Legal Advisers*

William Freire Advogados Associados
Avenida Afonso Pena, 4.100, 12º andar
Edifício Atlântico, Cruzeiro, CEP 30130-009

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable*

ACTION	DATE
Announcement of the Offer and Release of Appendix 3B	7 October 2024
Lodgement of Prospectus with the ASIC and ASX	24 January 2025
Ex date	30 January 2025
Record Date for determining Entitlements	31 January 2025
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the New Options	7 February 2025
Options exercise period	7 February 2025 to 7 February 2028
Expiry Date for New Options	7 February 2028

Notes:

* These dates are indicative only and are subject to change.

** The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Offer without prior notice.

1.2 Key statistics of the Offer

	NUMBER
Offer Price per New Option under the Offer	Nil
Option entitlement ratio (based on existing Shares held)	1:2
Shares currently on issue	174,454,487
Options currently on issue	13,500,000
Performance Rights currently on issue	6,150,000
Maximum New Options to be issued under the Offer ^{1,2}	87,227,284
Gross proceeds of the issue of Options	Nil
Options on issue post-Offer	100,727,284

Notes:

1. Based on 174,454,487 Shares on issued as at the date of this Prospectus.

2. Refer to Section 4.2 for the terms of the New Options.

1.3 Key Risk Factors

Prospective investors should be aware that an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the New Options may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.4 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

DIRECTOR	SHARES	OPTIONS	PERFORMANCE RIGHTS	NEW OPTIONS UNDER OFFER
Paul Dickson	380,000	-	2,050,000	190,000
Fernando Tallarico	-	-	2,050,000	-
Pat Volpe	62,400,001	2,000,000 ¹	-	31,200,001
Ian Kiers	1,588,888	-	2,050,000	794,445

Notes:

1. Comprising:
 - (a) 1,000,000 Options exercisable at \$0.30 on or before 17 April 2027; and
 - (b) 1,000,000 Options exercisable at \$0.37 on or before 17 April 2027.

1.5 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

DIRECTOR	SHARES	OPTIONS	PERFORMANCE RIGHTS	NEW OPTIONS UNDER OFFER
Pat Volpe	62,400,001	2,000,000	-	32,450,001
Carlos Alberto Ferreira Teles	10,000,000	-	-	5,000,000

There will be no change to the substantial holders on completion of the Offer. However, the number of Options held by the substantial holders and their fully diluted percentage interest would each increase as a result.

1.6 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, the Offer will not have any material impact on control of the Company because there are no Shares being offered under the Offer.

Further there will be no immediate change to any Shareholder's voting power as a result of the issue of the New Options. However, where New Options are exercised into Shares, the voting power of the Shareholders who exercise the New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

Given that the Offer is a pro-rata offer, the voting power of all Eligible Shareholders will effectively remain the same on the basis that:

- (a) all Eligible Shareholders exercise their New Options; and
- (b) no other Shares are issued, including as a result of the exercise of other Options.

However, if an Eligible Shareholder does not exercise their New Options, it may result in their holding interest in the Company being diluted as a result of the exercise of other New Options issued under the Offer.

In addition, the Offer is not being extended to Shareholders with registered addresses outside Australia and New Zealand and accordingly, the voting power in the Company of these Shareholders may also be diluted as a result of the exercise of New Options issued under the Offer.

The impact of the Offer on the overall voting power in the Company of Shareholders is entirely dependent on:

- (a) the extent to which they are Eligible Shareholders;
- (b) if they are Eligible Shareholders, the extent to which they exercise their New Options; and

(c) the extent to which other Eligible Shareholders exercise their New Options.

A substantial holder noted in Section 1.6, may be prevented from exercising the New Options if doing so would be in contravention of section 606 of the Corporations Act, unless such exercise of the New Options and issue of Shares will fall within a relevant exception contained in section 611 of the Corporations Act.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable bonus issue of one (1) free New Option for every two (2) Shares held by Eligible Shareholders registered at the Record Date.

The New Options offered under this Prospectus are exercisable at \$0.20 on or before 7 February 2028. Full terms and conditions of the New Options are set out in Section 4.2 of this Prospectus.

The purpose of the Offer is to recognise the support and loyalty the Company has received from its shareholders since its recent initial public offer on the ASX (**IPO**), many of them having supported the Company at or prior to the IPO. In addition, the Offer will provide the Company with a potential source of additional capital if the New Options are exercised in the future.

As this is a bonus issue of New Options, Eligible Shareholders do not need to take any action in order to receive the New Options and, accordingly there is no application form attached to this Prospectus for the Offer.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 87,227,284 New Options will be issued pursuant to the Offer for nil consideration. If all New Options issued under the Offer are exercised, the Company will receive approximately \$17,445,457.

Fractional entitlements will be rounded up to the nearest whole number. All references to numbers of New Options to be issued pursuant to this Prospectus are expressed subject to rounding.

As at the date of this Prospectus the Company has 13,500,000 Options on issue that may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 3.4 for information on the exercise price and expiry date of the Options on issue.

All of the Shares issued upon the future exercise of the New Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The Company will apply for Official Quotation of the New Options issued pursuant to the Offer.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.1.

2.2 Minimum subscription

There is no minimum subscription.

2.3 ASX listing

Application for Official Quotation of the New Options will be made in accordance with the timetable set out at Section 1.1. If ASX does not grant Official Quotation of the New Options or if the Company does not meet the minimum requirements to be granted Official Quotation of the New Options, then the New Options will still be issued, however will not be quoted on ASX.

The fact that ASX may grant Official Quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options now offered for subscription.

2.4 Issue of New Options

The New Options issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.1.

Holding statements for New Options issued under the Offer will be mailed as soon as practicable after the issue of the New Options.

2.5 Overseas shareholders

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of New Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and New Options will not be issued to Shareholders with a registered address which is outside Australia and New Zealand.

New Zealand

The New Options are not being offered to the public within New Zealand other than to Eligible Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The purpose of the Offer is to reward the loyalty of Shareholders and provide an opportunity for Shareholders to participate in the development of the Company and to seek to satisfy the conditions to listing the New Options as a third class of listed securities.

The Offer will provide the Company with a potential source of additional capital if the New Options are exercised in the future (being approximately \$17,445,457).

There is no certainty that any New Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period.

It is currently intended that any funds raised by the exercise of the New Options under the Offer will be used to advance the Company's projects at that time and working capital purposes. Working capital includes but is not limited to corporate administration and operating costs.

The application of future funds raised on exercise of the New Options will also depend on when the New Options are exercised and the status of the Company's existing projects and requirements at the relevant time. In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above statement is a statement of current intentions as of the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds raised are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Objective

The Offer is being made such that the relief provided under ASIC Corporations (Sale Offer That Do Not Need Disclosure) with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the New Options are issued with disclosure under this Prospectus then the Shares issued upon the exercise of any of the New Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

Subject to the New Options being quoted to trading on ASX, the Offer will also provide investors who receive the New Options the opportunity to trade those New Options on a listed, public financial market, being the financial market operated by the ASX.

3.3 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted, and no Shares are issued including on exercise or conversion of other Options on issue prior to the Record Date, will be to:

- (a) increase the number of Options on issue from 13,500,000 as at the date of this Prospectus to 100,727,284 Options; and
- (b) to remove any trading restrictions attaching to Shares issued on exercise of the New Options issued under this Prospectus, so that, subject to ASX granting Official Quotation of the New Options, the investors who receive the New Options will be enabled to trade those New Options on a listed, public financial market, being the financial market operated by the ASX.

3.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares¹

	NUMBER
Shares currently on issue ^{1,2}	174,454,487
Shares offered pursuant to the Offer	Nil
Total Shares on issue after completion of the Offer	174,454,487

Notes:

1. Refer to Section 4.1 for the rights and liabilities attaching to Shares.
2. This assumes no Shares are issued including on exercise or conversion of other Options on issue prior to the Record Date.

Options

	NUMBER
Options currently on issue ¹	13,500,000
New Options to be issued pursuant to the Offer ²	87,227,284
Total Options on issue after completion of the Offer³	100,727,284

Notes:

1. Comprising:
 - (a) 1,750,000 unlisted Options exercisable at \$0.30 on or before 17 April 2027;
 - (b) 1,750,000 unlisted Options exercisable at \$0.37 on or before 17 April 2027;
 - (c) 5,000,000 unlisted Options exercisable at \$0.30 on or before 8 July 2027; and
 - (d) 5,000,000 unlisted Options exercisable at \$0.37 on or before 19 July 2027.
2. Refer to Section 4.2 for the terms of the New Options.
3. This assumes the Offer is fully subscribed, all New Options offered are issued and no Options are exercised.

Performance Rights

	NUMBER
Performance Rights currently on issue ¹	6,150,000
Performance Rights offered under this Prospectus	Nil
Total Performance Rights on issue after completion of the Offer	6,150,000

Notes:

1. Comprising:
 - (a) 750,000 Class A Performance Rights, vesting upon receipt of conditional listing approval from ASX, on terms satisfactory to the Company and the holder remaining a director of the Company or a period of 12 months post-listing;
 - (b) 1,500,000 Class B Performance Rights, vesting upon the Company's 20-day volume weighted average share price (calculated across 20 consecutive trading days on which the Company's shares actually traded) (20-day VWAP) reaching 100% higher than \$0.20 and the holder remaining a director of the Company for a period of 24 months post-listing;
 - (c) 1,500,000 Class C Performance Rights, vesting upon the Company's 20-day volume weighted average share price (calculated across 20 consecutive trading days on which the Company's shares actually traded) (20-day VWAP) reaching 250% higher than \$0.20 and the holder remaining a director of the Company for a period of 24 months post-listing;
 - (d) 900,000 Class D Performance Rights, vesting on the Company completing 20,000m of auger drilling on a project area prospective for rare earth elements, of which drill holes return at least 1,000 metres of cumulative intersections with an average grade of 1,200ppm TREO (as verified by a competent person).
 - (e) 1,500,000 Class E Performance Rights, vesting on the Company announcing to ASX a 10Mt inferred resource at a minimum grade of 1,000ppm TREO for a project (as verified by a competent person).

The capital structure on a fully diluted basis as at the date of this Prospectus would be 194,104,487 Shares and on completion of the Offer would be 281,331,771 Shares.

3.5 Pro-forma balance sheet

The New Options to be issued pursuant to this Prospectus will be issued for nil consideration. Accordingly, there will be no immediate effect on the Company's balance sheet.

However, in the event all of the New Options issued under the Offer are exercised in Shares, the Company would receive up to \$17,445,457.

The Company is unable to specify with any certainty the extent of any change to the balance sheet given the uncertainty around the number of New Options to be ultimately issued and whether and when any of the New Options will be exercised.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares, being the underlying securities of the New Options being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meeting and notices

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares. The Directors may rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set a value as the liquidator considers fair upon any property to be so decided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. No member is obliged to accept any Shares, securities or other assets in respect of which there is any liability.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of Constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Terms of New Options

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one (1) Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.20 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AEDT) on or before 7 February 2028 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to

Shareholders during the currency of the New Options without exercising the New Options.

(k) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5. RISK FACTORS

5.1 Introduction

The New Options offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the New Options may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the New Options. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

RISK CATEGORY	RISK
Dilution	The Company currently has 174,454,487 Shares on issue as at the date of this Prospectus. As set out in this Prospectus, the Company is intending to issue up to 87,227,284 New Options under the Offer. No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer and the Directors do not make any representation as to such matters. The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.067 is not a reliable indicator as to the potential trading price of Shares or the New Options after implementation of the Offer.
Reliance on consultants and others	The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in exploring or developing its tenements, or other adverse outcomes.
Additional requirements for capital	The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the capital raising. Any additional

RISK CATEGORY	RISK
	equity financing will dilute share holdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

5.3 Industry specific

RISK CATEGORY	RISK
Exploration and operating	The mineral exploration licences comprising the Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that future exploration of these licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company. The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration permits comprising the Projects. The operations of the Company may be affected by various factors that are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, commodities, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company. These risks and hazards could also result in damage to, or destruction of, facilities and equipment, personal injury, environmental damage, business interruption, monetary losses and possible

RISK CATEGORY	RISK
	legal liability. These factors are substantially beyond the control of the Company and, if they eventuate, may have an adverse effect on the financial performance of the Company and the value of its assets.
Access and third-party interests	There is a substantial level of regulation and restriction on the ability of exploration and mining companies which have access to land in Brazil. A number of the Company's tenements overlap certain third-party interests, that may limit the Company's ability to conduct exploration and mining activities including conservation areas, transmission lines, and other governmental and environmental restricted and regulated areas, or encroach other tenements.
Maintenance of Tenure	The continuation of the term of the exploration permits is subject to compliance with the applicable mining legislation including the requirement to report the commencement of initial exploration activities by a prescribed date and payment of annual taxes. While it is the Company's intention to satisfy the conditions that apply to the tenements, there can be no guarantees made that, in the future, the conditions that apply to the tenements will be satisfied.
Exploration costs	The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.
Climate risks	There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include: (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which

RISK CATEGORY	RISK
	the Company operates.
Renewal of Tenure	Mining and exploration permits are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations, including relevant reporting requirements, and such renewal is at the discretion of the relevant mining authority. Additional conditions on the tenements may be imposed following renewal. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. Generally, the holder of an exploration permit will have the ability to request a single renewal of the exploration permit which will be granted provided that the holder complies with the regulatory requirements (including submission of a report describing the exploration activities conducted and the technical justification for the continuation of exploration and payment of the required fee). Accordingly, the Company may, subject to compliance with the regulatory requirements, seek to apply for renewal of the exploration permits at the relevant time or lodge the necessary documentation to apply for conversion to a mining permit. There is a risk that the Company will not be able to comply with the relevant requirements to renew its tenure or convert the tenure into mining permits. The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Brazil and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant.
Resource and reserves and exploration targets	The Company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted. Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate
Grant of future authorisations to explore and mine	If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

RISK CATEGORY	RISK
Metallurgy risk	Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as: (a) errors and other risks associated with identifying a metallurgical process through test work to produce a saleable metal and/or concentrate; (b) errors and other risks associated with developing an economic process route to produce a metal and/or concentrate; and (c) changes in mineralogy in the minerals deposit can result in inconsistent metal recovery, affecting the economic viability of a project.
Mine Development	Possible future development of mining operations at the Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production on one of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Projects. The risks associated with the development of a mine will be considered in full should the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.
Regulatory Compliance	The Company's mineral exploration and planned development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. Although the Company believes that its exploration activities will be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development activities. The Company's interests in mineral tenements are subject to governmental approvals, licences and permits. The granting and enforcement of the terms of such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions

RISK CATEGORY	RISK
	thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties such as the Company, engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of those activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

5.4 General risks

RISK CATEGORY	RISK
Competition risk	The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's Projects and business.
Reliance of key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.
Market conditions	Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (c) introduction of tax reform or other new legislation; (d) interest rates and inflation rates; (e) changes in investor sentiment toward particular market sectors; (f) the demand for, and supply of, capital; and (g) terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market,

RISK CATEGORY	RISK
	and in particular securities of exploration companies experience extreme price fluctuations. Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price.
Commodity price volatility and exchange rate risks	If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency or the Brazilian real, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, the Australian dollar and the Brazilian real as determined in international markets.
Government policy changes	Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Brazil may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.
Corruption and bribery laws	The Company's operations are governed by, and involve interactions with, many levels of government in Australia and Brazil. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. Although the Company has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors or third-party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation and results of its operations.
Insurance	The Company insures its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

RISK CATEGORY	RISK
Force Majeure	The Company's Projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Economic and other global or national issues	General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities. General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.
Taxation	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.
Litigation risks	The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the New Options.

Prospective investors should consider that an investment in the Company is highly speculative.

The New Options offered under this Prospectus carry no guarantee in respect of value, profitability, dividends, return of capital or the price at which the Shares and New Options (subject to satisfying ASX of the quotation requirements set out in Chapter 2 of the ASX Listing Rules) may trade on the ASX.

You should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

DATE	DESCRIPTION OF ANNOUNCEMENT
20 January 2025	68% Increase In Mineralised Drilled Area at Flagship Caladao
17 December 2024	Significant Gallium Mineralisation at Caladao Project
16 December 2024	Application for quotation of securities - AXL
11 December 2024	28,321ppm TREO / 7,606ppm MREO Make Record Grades at Caladao
9 December 2024	Trading Halt
6 December 2024	Release of Restricted Securities
3 December 2024	Widespread High Grade REE Confirmed from Caladao Channelling
27 November 2024	Exceptional TREO and MREO Intercepts Continue at Caladao
19 November 2024	Results of Annual General Meeting
19 November 2024	2024 AGM Managing Director's Presentation
19 November 2024	2024 AGM Chairman's Address
30 October 2024	Up to 12,931ppm TREO from first DD Hole at Flagship Caladao

DATE	DESCRIPTION OF ANNOUNCEMENT
28 October 2024	Quarterly Activities Report and Appendix 5B
23 October 2024	Up to 7,099ppm TREO from High Grade Batch Assays At Caldas
18 October 2024	Notice of Annual General Meeting
9 October 2024	Application for Quotation of Securities – AXL
7 October 2024	Proposed Issue of Securities – AXL
7 October 2024	Loyalty Options offer
2 October 2024	Release of Restricted Securities
26 September 2024	Appendix 4G and Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website: www.axelreelimited.com.au

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	DATE
Highest	\$0.115	11 December 2024
Lowest	\$0.062	20 January 20024
Last	\$0.067	23 January 2024

Whilst it is intended that the New Options will be quoted there is no current market or trading history for the New Options. It is not possible to predict what the value of Options or Shares will be following the Offer and the Directors do not make any representations as to such matters.

6.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

DIRECTOR	REMUNERATION FOR THE YEAR ENDED 30 JUNE 2023	REMUNERATION FOR THE YEAR ENDING 30 JUNE 2024	PROPOSED REMUNERATION FOR THE YEAR ENDING 30 JUNE 2025 ¹
Paul Dickson	-	\$53,055 ²	\$90,000
Fernando Tallarico	-	\$132,176 ³	\$372,000
Pat Volpe	-	\$247,800 ⁴	\$80,000
Ian Kiers	-	\$68,740 ⁵	\$80,000

Notes:

1. Cash fees payable for this period for base remuneration, superannuation and share-based payments have not been included.
2. Comprising \$28,561 in accrued base remuneration, \$3,257 in superannuation and \$21,237 in securities-based payments.
3. Comprising \$110,939 in accrued base remuneration and \$21,237 in securities-based payments.
4. Comprising \$80,000 in accrued base remuneration \$8,800 in superannuation and \$159,000 in securities-based payments.
5. Comprising \$42,740 in accrued base remuneration, \$4,763 in superannuation and \$21,237 in securities-based payments

6.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;

- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin approximately \$5,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$170,675 (excluding GST and disbursements) for legal services provided to the Company.

6.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

6.7 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$55,206 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	32,000
Legal fees	5,000
Printing, registry and distribution	15,000
Total	55,206

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

AEDT means Australian Eastern Daylight Time as observed in Melbourne, Victoria.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means Axel REE Limited (ACN 665 921 273).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Exercise Price means the exercise price of the New Options being \$0.20.

New Option means an Option issued on the terms set out in Section 4.2.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Projects means collectively, the Caladão, Caldas, Itiquira and Corrente projects.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.