



2025 Annual General Meeting Chairman's Address

On behalf of the Board of Axel REE Limited (Axel or Company), I am pleased to address you at our Annual General Meeting for the 2025 year. This has been a defining year for the Company. In just over a year since listing, Axel has moved from being an early-stage explorer to the owner of two substantial JORC-compliant resources in both gallium and rare earth elements at our Caladão Project, which is now recognised as strategically significant on the global critical minerals stage.

Our strategy from IPO has been clear: focus capital on projects with genuine scale, a clear path to low-cost development, and direct exposure to critical materials that sit at the heart of electrification, digital technologies and defence applications. During 2025, we delivered exactly that - a 100Mt gallium resource and a 233Mt REE resource at Caladão Area A in Brazil's Lithium Valley, confirmation of ionic adsorption clay mineralisation from metallurgical test work at ANSTO, and high-grade discoveries at Caldas that we expect to convert into a maiden REE resource in 2026.

Caladão – 100Mt @ 42ppm Gallium and 233Mt @ 2,143ppm TREO REE Mineral Resource Estimates

In August, we announced Axel's maiden gallium Mineral Resource Estimate (MRE) at the Caladão Project – Area A with 100Mt at 42ppm gallium, for 4.2kt of contained gallium, reported as an Inferred JORC 2012 resource at a 35ppm Ga cut-off. The mineralisation is hosted at surface in lateritic soils and saprolite developed over the Caladão granite, and is reported on an in-situ, undiluted basis.

This is the first discrete gallium mineral resource project reported in Brazil and one of the largest non-bauxite, in-situ gallium resources globally. Combined with its surface expression, district-scale footprint and proximity to excellent infrastructure, Caladão positions Axel as one of the very few companies globally with a stand-alone gallium resource rather than a low-value by-product from environmentally harmful alumina refineries.

In October, we built on the gallium resource with a maiden shallow REE MRE at Caladão Area A of 233Mt at 2,143 ppm TREO (using a 450ppm cut-off) within the saprolite horizon. Importantly, around 22% of the basket comprises higher-value magnet rare earth oxides (MREO) - principally neodymium (Nd), praseodymium (Pr), dysprosium (Dy) and terbium (Tb) - which are the key inputs into high-performance permanent magnets used in EV motors, wind turbines and advanced defence and industrial applications.

Taken together, these two MREs confirm Caladão as a dual-commodity REE-gallium system of meaningful global scale, with both commodities hosted in weathered profiles amenable to relatively simple leaching, rather than complex hard-rock beneficiation.

Metallurgy and Ionic Clay Confirmation at Area A

A critical milestone during the year was the confirmation of ionic adsorption clay (IAC) style mineralisation at Caladão Area A. Initial metallurgical test work undertaken by ANSTO on representative samples from the saprolite confirmed that rare earths can be desorbed under standard ionic leaching conditions, using

ammonium sulfate and sodium chloride leach solutions, with encouraging recoveries of the magnet rare earths.

This work confirms that certain areas of REE mineralisation at Area A behave as a classic IAC system, which fundamentally shifts the development outlook for Caladão. This is the same deposit style that underpins China's dominant low-cost production of magnet rare earths - and provides a strong technical foundation for developing a low-capex, low-opex flowsheet based on simple leach and precipitation processes. Subsequent test programs have also demonstrated the potential to recover gallium under more aggressive leach conditions, providing optionality to integrate gallium into future process design once REE flowsheets are optimised.

These outcomes materially de-risk the project. They support Axel's strategy of prioritising low-impact, near-surface ore, minimising energy and reagent intensity, and exploring development routes such as heap leach or in-situ style leaching where geology, hydrogeology and permitting allow.

Area B – Growth, MRE and ISR Trial Mining Pathway

The 2025 drilling campaign also confirmed that REE and gallium mineralisation extends well beyond the initial 35km² footprint at Area A, into the broader Caladão system including Area B. Step-out auger drilling has identified extensive gallium and REE mineralisation within the weathered profile at Area B, supporting our view of Caladão as a district-scale system spanning over 116km².

In November, we appointed GE21 to complete a REE and gallium MRE at Area B, targeting completion by the end of December 2025. The Area B resource work is designed not only to expand our total REE and gallium global resource, but also to provide the geological and hydrogeological framework required to assess in-situ recovery (ISR) trial mining. Our objective is to be in a position during 2026 to advance permitting and detailed design for a potential ISR trial at Area B.

If successful, an ISR trial would represent a significant step in Axel's strategy to fast-track Caladão from exploration to commercialisation, by generating real operating data ahead of a full-scale development decision, while minimising surface disturbance and upfront capital requirements.

Caldas – High-Grade Clay REE and Target MRE

At the Caldas Project, located in the world-class Poços de Caldas alkaline complex, 2025 saw Axel deliver some exceptional grade clay-hosted REE intercepts. An early highlight was 19,493ppm TREO (approximately 1.95% TREO) within broader thick mineralised intervals from surface, with MREO comprising around 30% of the basket. Subsequent drilling has extended mineralisation across a broader footprint and confirmed a clay-style system hosted in deeply weathered granitic and gneissic rocks.

Caldas provides Axel with a second, independent REE hub with very high grades and a strong magnet-rich assemblage, in a district that already hosts advanced ionic clay REE projects owned by other ASX-listed peers including Meteoric Resources (ASX:MEI) and Viridis Mining and Metals (ASX:VMM). Our near-term objective is to complete a MRE at Caldas in 2026, providing further scale and diversification to Axel's REE resource base and supporting future development options that could include either standalone production or integration with Caladão processing capacity over time.

Gallium and Magnet REE Market Outlook and Axel's Strategic Advantage

The strategic context for Axel's commodities has strengthened materially over the past 18 months. Gallium is listed as a critical mineral by Australia, the European Union and the United States, reflecting its essential role in compound semiconductors, 5G antennas, power electronics, solar technologies and advanced defence systems.

Global gallium demand is forecast to grow strongly this decade, while supply remains highly concentrated. China has historically produced over 98% of primary gallium and has used export controls and bans as a geopolitical tool, creating pronounced price volatility and highlighting the vulnerability of Western supply chains.

Magnet rare earths show a similar dynamic. Analysts project strong growth in demand for NdPr and DyTb driven by electric vehicles, wind power and high-efficiency motors, while China continues to dominate both mining and, more importantly, refining and magnet manufacturing. Recent extensions of Chinese rare earth export controls and technology restrictions have further highlighted the strategic importance of alternative supply from geopolitically stable jurisdictions.

In this context, Axel's position is unique. We control a large, near-surface ionic clay REE system and an in-situ gallium resource in Brazil's Lithium Valley - a mining-friendly, infrastructure-rich jurisdiction with access to low-carbon hydroelectric power, an established industrial base and strong government support for exploration and project development. Our MoUs with the Government of Minas Gerais and FIEMG provide access to South America's first rare earth magnet laboratory and are designed to streamline licensing and approvals, aligning Axel with the State's ambition to create a complete magnet supply chain.

This combination of scale, deposit style, jurisdiction and government alignment positions Axel as a potential cornerstone supplier of gallium and magnet REEs into diversified non-Chinese supply chains over the medium term.

Corporate, Funding and Capital Markets

The Board has remained disciplined in capital allocation. As at 30 September 2025, Axel held approximately \$7.9 million in cash, providing a solid runway to complete the Area B MRE, Caldas MRE and the next phases of metallurgical studies and project development.

During the year we also broadened our capital markets reach via a secondary listing on the Frankfurt Stock Exchange (FSE:HN8), enhancing visibility with European investors who are particularly attuned to the importance of secure critical mineral supply. We continue to evaluate additional trading venues, including North American OTC markets, as part of a broader strategy to align our investor base with the global nature of our commodity exposure.

Alignment between management, Board and shareholders has been reinforced through performance-based equity. The vesting of certain performance rights during the year was directly linked to the delivery of the REE Mineral Resource Estimate, ensuring that rewards are tied to value-creating milestones rather than time alone.

Outlook and Priorities for FY26

Looking ahead, our priorities for the coming year are clear:

- Complete the REE and gallium MRE at Caladão Area B by the end of December 2025, and integrate Areas A and B into a coherent district-scale global resource development strategy.
- Advance process development, including optimisation of ionic leach conditions at Area A and further gallium recovery test work, with the objective of defining a robust, low-capex flowsheet suitable for both trial mining and future commercial operations.
- Progress technical, environmental and regulatory work required to support a potential ISR trial at Area B in 2026, while continuing to evaluate heap or hybrid concepts where appropriate.
- Deliver a maiden REE MRE at Caldas and refine our understanding of its development options, including potential synergies with Caladão in terms of processing, product mix and offtake strategy.
- Deepen collaboration with Brazilian government, industrial and institutional partners to position Axel within emerging REE magnet and gallium value chains in Minas Gerais.

Throughout this work we remain committed to high standards of safety, environmental stewardship and community engagement. The low-impact nature of ionic clay and lateritic deposits, combined with the potential for ISR and near-surface leaching methods, provides Axel with a genuine opportunity to deliver critical minerals with a relatively small physical footprint compared to many traditional mining operations.

Conclusion

In summary, 2025 has been a year in which Axel REE has proved the potential of our projects. We have established substantial REE and gallium resources, validated the ionic clay nature of our flagship project, expanded our footprint at both Caladão and Caldas, and taken important steps toward trial mining and, ultimately, commercialisation.

On behalf of the Board, I thank our management team and staff, our Brazilian partners, and you, our shareholders, for your continued support as we work to build Axel into a globally significant supplier of gallium and magnet rare earths.

To my fellow board members, management and on the ground team in Brazil, I would like to thank you all for your hard work during the year.

And to our shareholders, I want to personally thank you for your support of the Company and I am looking forward to keeping you updated as we progress with our programs across our dynamic Brazilian portfolio.

Paul Dickson
Chairman

This announcement was authorised by the Board of Directors.

About Axel REE

Axel REE is a critical minerals exploration company which is primarily focused on developing the Caladão REE-Gallium and Caldas REE Projects in Brazil. Together, the project portfolio covers over 1,000km² of exploration tenure in Brazil, the third largest country globally in terms of REE Reserves.

JORC 2012 Mineral Resource Deposit	JORC 2012 Classification	Tonnes and Grade
Caladao Project – Area A	Inferred	233Mt @ 2,143ppm TREO
Caladao Project – Area A	Inferred	100Mt @ 42ppm Gallium

Refer AXL ASX release 22 August 2025 (Gallium MRE) and 1 October 2025 (REE MRE)

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.