2026 Annual General Meeting
Chairman's Address

On behalf of the Board of Axel REE Limited (**Axel** or **Company**), I am pleased to welcome you to our Annual General Meeting for 2026.

At last year's meeting I said our objective was to be in a position during 2026 to advance permitting and design for an in-situ recovery (**ISR**) trial at Caladão. That has been the Company's main focus this year.

Over the past twelve months the Caladão rare earth resource has grown from 233Mt to 708.6Mt, column testing showed that Woolrich clays give up their rare earths under ISR-style flow conditions, and in October we produced Axel's first mixed rare earth carbonate (**MREC**), grading 54.4% TREO. This month we received the State environmental and water clearances for the Woolrich ISR field program.

In short, Axel spent 2026 moving from defining a resource to testing how we could produce from it.

The ISR Development Pathway

In an ionic adsorption clay (**IAC**) deposit, the rare earths are held loosely on the surface of clay minerals and can be exchanged into solution with a mild salt. If that solution can be circulated through the ground and recovered through wells, the deposit can be worked without an open pit, crushing or milling. That could mean much less surface disturbance, and potentially lower upfront capital and operating expenses than a conventional mine.

In April 2026 the Board selected Woolrich, in Area B, as the site of Axel's first ISR field program. The site is close to the best of the November 2025 auger intercepts, and fresh bedrock directly beneath the mineralised clays should act as a natural hydraulic floor to contain the leach solution.

In July we set out a three-stage pathway: column testing, a first MREC sample and permitting, now largely complete; the Woolrich field program, the first of 12 potential wellfield areas identified within roughly 2,000 hectares; and a scoping study, the first integrated technical and economic assessment of Caladão.

Column Leach Testing at Core Resources Laboratory

Column testing by Core Resources in Brisbane, a laboratory stand-in for ISR, pumped magnesium sulphate solution through packed Woolrich material, much as it would move through the ground.

Pregnant leach solution (**PLS**) broke through in both of the first two column tests, and in June they returned up to 560ppm soluble TREO, better than the best static tests, with magnet rare earths making up 39% of the TREO. Impurities in solution were very low, with aluminium below 2ppm and iron below 0.5ppm. For the Board, that was the evidence needed to move to field work.

Axel's First Mixed Rare Earth Carbonate

In October, Core produced Axel's first MREC from a second pair of columns. The product graded 54.4% TREO, with magnet rare earths making up 35.9% of the TREO, including 34.1% NdPr and 1.75% DyTb. Importantly, uranium and thorium were very low at 0.78ppm and 0.10ppm respectively.

Precipitation with magnesium bicorbante recovered about 97% of the TREO and 99% of the magnet rare earths from solution without the dedicated impurity removal stage that most rare earth flowsheets need. If confirmed through further testwork and engineering, that could result in a cheaper processing route and a simplified process.

At spot prices on 21 October 2026, the contained rare earth basket in the MREC had an indicative gross value of US$42.72 per kilogram of TREO, with neodymium, praseodymium, dysprosium and terbium making up about 93% of that value.

Caladão Mineral Resource: 708.6Mt REE and 575.7Mt Gallium

Consulting group GE21, delivered the Area B estimate on 23 December 2025: 339Mt at 1,075ppm TREO and 36.6ppm gallium across Marambaia, Tiger Creek and Woolrich deposits. In September 2026, infill and extension drilling more than doubled Woolrich to 264.6Mt at 1,101ppm TREO and 34.7ppm gallium, including 110.1Mt at 1,073ppm TREO in the Indicated category, the first Indicated resource at Caladão.

The global Caladão resource is now 708.6Mt at 1,443ppm TREO, with gallium at 575.7Mt at 37.05ppm. The estimates cover about half of the project area, and all four deposits remain open laterally and at depth. The resource is estimated from total assays and does not depend on the leach results.

Woolrich Field Program Approvals

This month Axel received a Certificate of Exemption from Environmental Licensing from the State environment department (**SEMAD**) and a three-year Certificate of Registration for Insignificant Water Use from the State water agency (**IGAM**). Together these cover the State environmental and water requirements for the field program, and we are now confirming municipal requirements and remaining site authorisations.

Gallium and Scandium

We are assessing gallium as a separate pathway from the rare earth ISR program, using acid leach conditions rather than magnesium sulphate. Gallium extraction improved from about 50% at ANSTO in January 2026 to 90 to 95% in the program Core completed in September 2026 on a Tiger Creek composite, where scandium extraction reached 74%. The programs used different samples and test conditions, so the figures are not a like-for-like comparison. The next phase will focus on recovering gallium and scandium from the leach solution.

Caldas: A Second ISR Opportunity

In July, magnesium sulphate leach assays identified Caldas South as a second potential ISR area. Then on 1 October, Lynas Rare Earths agreed to acquire Meteoric Resources, whose Caldeira project sits in the same Poços de Caldas alkaline complex, in an all-scrip deal valued at about A$968 million. As a result we have

fast-tracked our Caldas plans, with drilling below the existing auger depths and leach testing by SGS Brazil to follow.

Rare Earth and Gallium Market Outlook

The rare earth market spent 2026 under Chinese export controls. The April 2025 controls on heavy rare earths, including dysprosium, terbium and scandium, remain in force, and on 9 November China extended its suspension of the broader October 2025 controls until 10 January 2027. Prices outside China for heavy rare earths sit well above Chinese prices, and NdPr floor price agreements of around US$110/kg are now in place for MP Materials and Lynas.

The Lynas offer for Meteoric is also a clear signal for Brazilian ionic clays. The largest rare earth supplier outside China has agreed to acquire this Minas Gerais IAC project, in part for its heavy rare earth feed.

Gallium remains a listed critical mineral in Australia, the European Union and the United States, and China still controls most primary supply.

Corporate, Leadership and Funding

In June we appointed Dr Patience Mpofu, a mineral processing specialist who has held senior roles with South32, Anglo American and Sibanye-Stillwater, as Managing Director. Her appointment reflects Axel's shift from exploration toward technical and commercial development.

Axel held $4.7 million in cash at 30 September 2026, with no debt.

We also maintain our secondary listing on the Frankfurt Stock Exchange (FSE: HN8).

ISR From Here

The Woolrich field program is the most important piece of work in the coming year. It will show whether the leaching behaviour we saw at the Core laboratory repeats in the ground. Once the remaining authorisations are in place, we plan to install the test wellfield, begin magnesium sulphate injection and recover PLS, measuring solution migration and containment, transmissivity and rare earth recovery. Field PLS will be sent for MREC production, testing the full chain from in-ground extraction to an intermediate product.

If the field results support it, ISR lends itself to a staged build, with wellfields brought on one at a time and capital committed as performance is proven. The field data will inform a decision on a larger pilot test and feed into the scoping study.

Our results so far come from laboratory work on one composite, however, ground conditions can behave differently from column testing, and permitting is not yet complete, so as a board we are cognisant to aim to reduce these risks as we progress this project.

Outlook and Priorities for FY27

Our priorities for the coming year are:

- Complete the remaining municipal and site authorisations and commence the Woolrich ISR field program.

- Produce MREC from field-sourced PLS and continue metallurgical optimisation of the ISR flowsheet.
- Use the field results to decide on a larger pilot test and to advance the Caladão scoping study.
- Continue infill drilling to convert more of the Woolrich Inferred resource to Indicated.
- Progress gallium and scandium recovery, and complete drilling and leach testing at Caldas.

Throughout this work we remain committed to high standards of safety, environmental stewardship and community engagement.

Conclusion

In 2025 we established that Caladão is a large rare earth and gallium system. In 2026 we showed in the laboratory that Woolrich can be leached under ISR conditions and turned into a high-grade carbonate, and we secured the first State approvals for field testing. The coming year is about proving that in the ground.

To my fellow board members, to Patience and the management team, and to our team on the ground in Brazil, thank you for your hard work during the year, and our thanks also go to Core Resources, GE21 and our partners in the Government of Minas Gerais. To our shareholders, thank you for your support. I look forward to keeping you updated as the Woolrich field program gets under way.

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, the third largest country globally in terms of REE Reserves.

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

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

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

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

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

Refer AXL ASX releases 22 August 2025 (Gallium MRE), 1 October 2025 (REE MRE), 23 December 2025 (Area B MRE) and 24 September 2026 (Woolrich MRE upgrade)

Competent Persons Statement

The information in this announcement that relates to Exploration Results and Metallurgy and Metallurgical Test Work is based on and fairly represents information and supporting documentation compiled by Mr Antonio de Castro, BSc (Hons), MAusIMM, CREA who acts as AXEL´s Senior Consulting Geologist through the consultancy firm, ADC Geologia Ltda. Mr. de Castro has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the reporting of exploration results and analytical and metallurgical test work he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Castro consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Cautionary statement

The Caladão Mineral Resource Estimate is currently classified as Inferred. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration will result in the determination of Indicated or Measured Mineral Resources or an Ore Reserve. Any development concept is subject to further technical studies, regulatory approvals and funding.

Forward Looking Statement

This announcement contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company. These risks and uncertainties could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information. Actual results and future events could differ materially from anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change.

No technical or economic study has been completed for the Caladão Project, and the ISR flowsheet remains conceptual.

Reference to Previous Announcements

In addition to new results reported in this announcement, the information that relates to previous exploration results is extracted from ASX releases dated 22 August 2025, 1 October 2025, 26 November 2025, 23 December 2025, 27 January 2026, 13 April 2026, 20 April 2026, 22 June 2026, 30 July 2026, 7 September 2026, 24 September 2026, 27 October 2026 and 9 November 2026.

The Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and, in the case of Mineral Resource estimates, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original announcements.