AXEL REE

Axel REE Limited
ACN 665 921 273

REPLACEMENT PROSPECTUS

For an offer of up to 75,000,000 Shares at an issue price of $0.20 per Share to raise up to $15,000,000 (Offer).

Lead Manager

BELL POTTER

Legal Adviser

STEINEPREIS PAGANIN
Lawyers & Consultants

IMPORTANT NOTICE

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

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

Important Notice

This replacement prospectus (**Prospectus**) is dated 7 June 2024 and was lodged with the ASIC on that date. This Prospectus replaces the original prospectus dated 23 May 2024 (**Original Prospectus**). The ASIC, the 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 Securities will 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 you read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered under this Prospectus should be considered as highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Securities under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set out below. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer or invitation to apply for Securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action or formality has been taken to register or qualify the Securities or the offer, or to otherwise permit a public offering of the Securities in any jurisdiction outside Australia.

This Prospectus has been prepared for publication in Australia and may not be distributed outside Australia except to institutional and professional investors in New Zealand, Hong Kong, Singapore, United Kingdom and the European Union (excluding Austria) in transactions exempt from local prospectus or registration requirements, as contemplated below.

Information for New Zealand Residents

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (the **FMC Act**).

The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

(e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Information for Hong Kong Residents

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this document may not be distributed, and the Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Information for Singapore Residents

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Information for United Kingdom Residents

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Information for European Union (except Austria) Residents

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Securities have not been, and will not be, registered under the United States Shares Act of 1933, as amended (the **US Securities Act**), and may not be offered or sold in the US or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

(a) it understands that the Securities have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;

(b) it is not in the US;

(c) it has not and will not send this Prospectus or any other material relating to the Offer to any person in the US; and

(d) it will not offer or resell the Securities in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Securities are offered and sold.

Conditions of the Offer

The Offer is conditional upon satisfaction of the Conditions, which are detailed further in Section 4.8. No Shares will be issued pursuant to this Prospectus until those Conditions are met.

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 resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to or accompanied by 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 at companysecretary@axelreelimited.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

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

No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

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 Securities under this Prospectus to determine whether an investment in the Company meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities. Refer to Section D of the Investment Overview as well as Section 7 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

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 performance and actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

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.

Important Notice continued

Competent Person's statements

The information in the Investment Overview Section of this Prospectus, included at Section 3, the Company and Projects Overview, included at Section 5, and the Independent Geologist's Report, included at Annexure A of the Prospectus, which relate to the technical assessment of the Projects is based on and fairly reflects, information compiled, and conclusions derived, by Dr Gavin Chan. Dr Chan is a Fellow of the AIG and a full-time consultant employed by SRK. Gavin has sufficient experience that is relevant to the technical assessment of the mineral assets under consideration, the styles of mineralisation, the type of deposits under consideration and the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the VALMIN Code 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**). Dr Chan consents to the inclusion of the information in these Sections of this Prospectus in the form and context in which it appears.

The information in the Investment Overview Section of this Prospectus, included at Section 3, the Company and Projects Overview, included at Section 5, and the Independent Geologist's Report, included at Annexure A of the Prospectus, which relate to exploration results is based on, and fairly represents, information and supporting documentation prepared by Dr Paul Woolrich. Dr Paul Woolrich has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Dr Woolrich is a shareholder of the Company. Dr Woolrich consents to the inclusion of the information in these Sections of this Prospectus in the form and context in which it appears.

Continuous disclosure obligations

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be 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 Securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

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

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS 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 Securities 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 CHESS 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.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

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 12.

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

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. 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 details 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. You should note that if you do not provide the information required on your application for Securities under this Prospectus, the Company may not be able to accept or process your application.

Replacement Prospectus

The key differences between this Prospectus and the Original Prospectus are as follows:

(a) amendment to the indicative timetable in Section 2;

(b) further clarification of the Company's interests in the Axel Tenements and REE Tenements;

(c) further disclosure around the related party transaction entered into with Foxfire Metals, an entity controlled by Non-Executive Director Mr Pat Volpe;

(d) further disclosure around the relationship between Non-Executive Director Pat Volpe and Company Secretary Patrick Volpe;

(e) inclusion and further disclosure regarding three specific risks to the Company and its operations, 'In-Country Director and Officer Risk', 'Transfer of legal title and tenure applications' and 'Maintenance of Tenure', in the Investment Overview Section and Section 7.2 accordingly, with further detailed information regarding the status of the Company's interests in the Tenements and payment of a fine for failure to report the commencement of exploration activities by the prescribed date.

(f) the inclusion of additional information regarding Pamplona and Spark;

(g) the inclusion of additional information regarding an equity seed raising conducted by the Company;

(h) the inclusion of additional information in Paul Dickson's biography;

(i) the inclusion of a definition for IAC-type in Section 12; and

(j) the replacement of the Independent Geologist's Report in the Original Prospectus (**Original IGR**) with the revised Independent Geologist's Report at Annexure A of this Prospectus (**Revised IGR**). The key difference between the Original IGR and Revised IGR being updates to the Appendix A and Appendix C of the Independents Geologist's Report.

Enquiries

If you are unclear in relation to the matters raised in this Prospectus or are in doubt as to how to deal with it, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser without delay. Should you have any questions in relation to the Offer or how to accept the Offer please contact the Company Secretary on +61 3 9249 9555.

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1. Letter from Chair

Dear Investor,

It is with great enthusiasm that I extend this invitation to you, on behalf of the Board, to become a shareholder in Axel REE Limited (**Company**). Our mission is to explore and develop rare earth elements (**REE**) and other critical minerals in vastly underexplored Brazil, which are crucial for the advancement of modern technology and the transition towards a more sustainable global economy. Our journey to date has positioned us to leverage the opportunities presented in the REE sector, particularly with our flagship Caladáo Project, which makes up just one of our four prospective REE projects. A summary of the Projects is contained in Section 5 of this Prospectus, with full details about the Projects set out in the Independent Geologist's Report in Annexure A.

Axel REE, since inception, has been driven by its mission to explore and develop our REE projects and become an emerging contributor in the REE sector. Our focus encompasses a commitment to creating long-term value for our shareholders and stakeholders alike. We have embarked on this journey with a clear understanding of the pivotal role that REE plays in various cutting-edge technologies – from powering electric vehicles and wind turbines to their use in essential everyday devices.

The Caladáo Project stands as a testament to our commitment and capability. Spanning two significant areas, Area A and Area B, this Project has already demonstrated potential. The first round of auger drilling resulted in an extensive 25km strike of mineralized REE over the two areas that are open in all directions. This result validates our exploration theory.

Initial surface sampling and geophysical studies at the Caldas Project has also uncovered anomalous REE mineralisation at the world-class Poços de Caldas Alkaline Complex. Neighbouring projects in the Poços de Caldas Alkaline Complex have returned exceptionally high grade ionic adsorption clay REE intercepts and we seek to replicate their success as we advance our Caldas Project.

Phase one of our exploration plan has been to prove the growth potential at the Caladáo and more recently Caldas Projects, and we plan to uncover the potential of the Itiquira and Corrente Projects as we move forward with our exploration programs following completion of the IPO.

Our strategy includes extensive exploration plans, aimed at fully realizing the potential of our current projects and seeking new opportunities. We are committed to advancing our projects and ensuring that our growth is aligned with the best interests of our shareholders, the local communities, and key stakeholders.

The Company has entered into an agreement with Foxfire Metals (and its wholly owned subsidiary FMB) to acquire an interest in the Projects. Foxfire Metals is an entity controlled by Non-Executive Director Mr Pat Volpe as is therefore a related party transaction. The related party transaction was entered into by the Company on the material terms and conditions summarised in Section 9.2. Prospective investors should be aware of the risks associated with such a related party transaction. These risks, along with other, are set out in detail in Section 7.2.

As at the date of this Prospectus, the transfer of the Axel Tenements has not yet occurred and as such the Company does not hold legal title to the Axel Tenements. The Company has lodged the relevant documentation to affect the transfer of the Axel Tenements and anticipate the registration of the transfer to be completed imminently. Prospective investors should be aware of the risks associated with transfer of title which are set out in Section 7.2.

Under the Offer, Axel REE invites subscriptions for a minimum of 50,000,000 and maximum of 75,000,000 Shares at an issue price of $0.20 per Share to raise up to $10 million and $15 million respectively (before costs). The purpose of the Offer is to provide funds to implement the Company's objectives and growth strategy (as detailed in Section 5).

This Prospectus is issued for the purpose of supporting an application to list Axel REE on the ASX. This Prospectus and its Annexures contain detailed information about the Offer, Axel REE, the Projects and the Company's objectives and growth strategy.

As with all early stage exploration companies, there are risks associated with an investment in the Company, which includes sovereign risks associated with the Company's foreign operations in Brazil, and risk associated with foreign exchange movements, regulatory approvals, contractual risks and mineral exploration and development generally. The Company has not yet delineated a resource or reserve as defined under the JORC Code at any of its Projects. Prospective investors are encouraged to read the risk factors outlined in Section 7 of this Prospectus. It is important that you read this Prospectus in its entirety before deciding whether to invest in Axel REE.

We extend this offer to you with a sense of excitement for what the future holds. We thank you for considering this opportunity and the Board is committed to the protection and sustainable growth of your investment in the Company to ultimately maximise shareholder value.

Yours sincerely

Paul Dickson
Non-Executive Chairman

2. Key Offer Information

Indicative Timetable[1]	
Lodgement of Original Prospectus with the ASIC	**23 May 2024**
Exposure Period begins	**23 May 2024**
Lodgement of Replacement Prospectus with the ASIC	**7 June 2024**
Opening Date of the Institutional Offer and Public Offer	**7 June 2024**
Closing Date of the Institutional Offer	**17 June 2024**
Closing Date of the Public Offer	**5pm (AEST) on 20 June 2024**
Issue of Shares under the Offer[2]	**8 July 2024**
Despatch of holding statements	**9 July 2024**
Expected date for quotation on ASX	**16 July 2024**

Notes:

1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all times given are in AEST. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.
2. If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offer opens.

Key Statistics of the Offer	Minimum Subscription[4]	Maximum Subscription[5]
Offer Price per Share	$0.20	$0.20
Shares currently on issue	108,035,612	108,035,612
Options currently on issue	3,500,000	3,500,000
Performance Rights currently on issue	6,150,000	6,150,000
Shares to be issued under the Offer	50,000,000	75,000,000
Options to be issued to Advisors	10,000,000	10,000,000
Gross proceeds of the Offer	$10,000,000	$15,000,000
Shares on issue at Admission (undiluted)[1,3]	**158,035,612**	**183,035,612**
Market capitalisation at Admission (undiluted)[2]	**$31,607,122**	**$36,607,122**
Shares on issue at Admission (fully diluted)[3]	**177,685,612**	**202,685,612**

Notes:

1. Certain Shares on issue post-listing will be subject to ASX-imposed escrow. Refer to Section 5.9 for a disclaimer with respect to the likely escrow position.
2. Assuming a Share price of $0.20, however, the Company notes that the Shares may trade above or below this price.
3. In consideration for the Asset Sale Agreement, the Company agreed to issue Foxfire Metals 832,059 Shares at a deemed issue price of $0.16 per Share (**Foxfire Consideration Shares**) which will be issued to Foxfire Metals approximately 6 months after the date of admission of the Company to the Official List. Refer to Section 9.2 for further information.
4. Assuming the Minimum Subscription of $10,000,000 is achieved under the Offer.
5. Assuming the Maximum Subscription of $15,000,000 is achieved under the Offer.

How to Invest

Applications for Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 4.3 and on the Application Form.

SECTION 3

Investment Overview

3. Investment Overview

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

ITEM	SUMMARY	FURTHER INFORMATION
A. Company		
Who is the issuer of this Prospectus?	Axel REE Limited (ACN 665 921 273) (**Company** or **Axel REE**).	Section 5.1
Who is the Company?	The Company is an Australian unlisted public company incorporated on 21 February 2023 as a wholly-owned subsidiary of Foxfire Metals Pty Ltd (ACN 609 688 824) (**Foxfire Metals**). On 9 October 2023, the Company was spun out of Foxfire Metals by way of a bonus issue of shares to Foxfire Metals' shareholders with a focus on the discovery and development of critical mineral resources, primarily rare earth elements, in Brazil.	Section 5.1
What is the Company's interest in the Projects?	The Company holds 100% interest in the following projects located in Brazil: (a) the Caladáo Project, located in the "Lithium Valley" region of the northern Minas Gerais State (**Caladáo Project**); (b) the Caldas Project, located in the southern Minas Gerais State, bordering with São Paulo State (**Caldas Project**); (c) the Itiquira Project, located in the Mato Grosso State (**Itiquira Project**); and (d) the Corrente Project, located in the Piauí State (**Corrente Project**). (together, the **Projects**). The Tenements which comprise of the Projects, consist of the Axel Tenements and the REE Tenements (which are No 831.458/2020, No 831524/2020 and a pending application for claim No 831515/2020 which each form part of the Caladáo Project). For clarity, the Tenements consist of the Axel Tenements and REE Tenements. Pursuant to the Asset Sale Agreement, the Company (and its wholly owned subsidiary Axel Brazil) entered into an agreement to acquire 100% legal and beneficial interest in the Axel Tenements, whilst only acquiring 100% beneficial interest in the mineral rights (other than lithium) in the REE Tenements. The Company does not consider the REE Tenements to be material in the context of the Offer. The Company's interests in the REE Tenements are subject to an agreement between Foxfire Metals and Spark. Spark is not controlled by a related party, nor does it have any association with the Company or any of its Directors. Please refer to Section VII of the Solicitor's Tenement Report in Annexure B for further information in relation to the Foxfire Metals' agreement with Spark. As at the date of this Prospectus, the transfer of the Axel Tenements has not yet occurred. The Company has lodged the relevant documentation to affect the transfer of the Axel Tenements and anticipates the registration of the transfers to be completed imminently. Whilst the Company will use best endeavours to ensure that the transfers are completed and the legal interest in the Axel Tenements is transferred, there remains a risk that it will not be. Refer to Section 7.2 for further detail regarding the risk associated with the transfer of Axel Tenements.	Section 5.2 and Annexure A

3. Investment Overview continued

ITEM	SUMMARY	FURTHER INFORMATION
B. Business Model		
What is the Company's business model and strategy?	Following completion of the Offer, the Company's proposed business model will be to focus on exploration and development of mineral resource opportunities, and specifically exploration and development of the Projects, initially as per the Company's proposed exploration programs. If after completion of the exploration programs (as further detailed in Section 5.5), the sites are assessed to be unlikely to host an economic deposit, they will be divested either via a sale, joint venture or relinquishment; and new opportunities will be staked or acquired. The Company aims to progress from an explorer, subject to results of exploration activities, to a developer and producer, or to a position in which it may realise value in some other way. The Company proposes to fund its exploration activities over the first two years following Admission as outlined in the table at Section 5.5. A detailed explanation of the Company's business model and strategy post-Admission is provided at Section 5.3 and a summary of the Company's proposed exploration programs is set out at Section 5.5.	Section 5.3
What are the key business objectives of the Company?	The Company's main objectives upon Admission will be to systematically explore and seek to develop each of the Projects, including; (a) focus on advancing the mineralised target areas, or 'drill-ready' targets; (b) ongoing field reconnaissance activities such as field mapping, rock chip and soil sampling and regional auger drill programs; (c) ranking, prioritising and drilling best prospects to effectively evaluate their economic potential; (d) assessing new strategic acquisitions and investment opportunities that may present; (e) implement a growth strategy and actively canvas other mineral exploration and resource opportunities which have the potential to generate growth and value for Shareholders; and (f) provide working capital.	Section 5.3

ITEM	SUMMARY	FURTHER INFORMATION
B. Business Model		
What are the key dependencies of the Company's business model?	The key dependencies influencing the viability of the Company's business model are: (a) completing the Offer; (b) exploration success on the Projects, resulting in increased confidence in the commercial viability of the Projects; (c) retaining title to the exploration permits making up the Projects; (d) retaining and recruiting key personnel skilled in the exploration and mining sector; (e) sufficient worldwide demand for REE and other critical minerals; (f) the market price of REE remaining higher than the Company's costs of any future production (assuming successful exploration by the Company); (g) raising sufficient funds to satisfy expenditure requirements, exploration costs and operating costs in respect of the Projects; and (h) minimising environmental impact and complying with environmental and health and safety requirements.	Section 5.4

ITEM	SUMMARY	FURTHER INFORMATION
C. Key Advantages		
What are the key advantages of an investment in the Company?	The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages: (a) subject to raising the Minimum Subscription, the Company will have sufficient funds to implement its exploration strategy; (b) the Company will hold a portfolio of quality assets located in Brazil considered by the Board to be prospective for rare earth metals; (c) Brazil is generally a pro-mining jurisdiction with highly developed infrastructure including low-cost, clean hydroelectric power, high capacity transmission lines, paved highways and efficient export ports; and (d) a credible and experienced team to progress exploration and accelerate potential development of the Projects.	Section 5

3. Investment Overview continued

ITEM	SUMMARY	FURTHER INFORMATION
D. Key Risks		
Exploration and Operations	The mineral exploration permits comprising the Projects are at various stages of exploration, and prospective investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that future exploration of these exploration permits, 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, changing government regulations and many other factors beyond the control of the Company.	Section 7.2
Resource and Reserves	The Company does not presently have any JORC Code compliant resources on the Tenements. Whilst the Company intends to undertake additional exploration works with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource. 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.	Section 7.2
Limited history	The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty. The Company was only recently incorporated on 21 February 2023 and has only limited operating history and limited historical financial performance. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Projects. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.	Section 7.2

ITEM	SUMMARY	FURTHER INFORMATION
D. Key Risks		
Control Risk	Following completion of the Offers, Mr Pat Volpe will hold 39.17% of the undiluted issued capital of the Company (assuming the Minimum Subscription is achieved). Following the issue of Foxfire Consideration Shares and in accordance with section 608(3) of the Corporations Act, Mr Pat Volpe will be deemed to have a relevant interest in an additional 832,059 Shares which are to be issued to Foxfire Metals as consideration under the Asset Sale Agreement by virtue of his substantial shareholding in Foxfire Metals. Following issue of the Foxfire Consideration Shares, Mr Pat Volpe will increase his voting power to 39.69% of the undiluted issued capital of the Company (assuming no other Shares are issued between completion of the Offers and the issue of the Foxfire Consideration Shares and the Minimum Subscription is achieved). As outlined in Section 5.8, Mr Pat Volpe is a substantial shareholder of the Company and may rely on the 3% creep exception provided in Item 9 of Section 611 of the Corporations Act. Accordingly, Mr Pat Volpe will have the capacity to influence the election of Directors and the potential to influence the outcome of matters submitted to a vote of Shareholders. The interests of Mr Pat Volpe may differ from the interests of other Shareholders who purchase Shares under the Offer. Further details in respect of Mr Pat Volpe's interest are set out in Section 8.4. As Mr Volpe holds a relevant interest in more than 25% of the Company, he will have the ability to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class. Mr Volpe will not participate in the Offer under the Prospectus.	Section 7.2

3. Investment Overview continued

ITEM	SUMMARY	FURTHER INFORMATION
D. Key Risks		
Sovereign Risk	The Company holds legal and beneficial interest in the Projects which are located in Brazil. There are numerous risk factors associated with operating in foreign jurisdictions, such as Brazil. Possible sovereign risks associated with operating in Brazil include, economic, social or political instability or change, hyperinflation, changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. Any future material adverse changes in government policies or legislation in Brazil that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company. Further, 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. The Company has made investment and strategic decisions based on information currently available to the Board. Should there be any material change in the political, economic, legal and social environments in Brazil, or South America generally, the Company may reassess investment decisions and commitments to assets in Brazil and the region. No assurance can be given regarding future stability in Brazil or any other country in which the Company may, in the future, have an interest.	Section 7.2
Transfer of legal title and tenure of applications	Pursuant to the Asset Sale Agreement, Axel Brazil has entered into an agreement to acquire the Tenements (with the exception of the REE Tenements, in respect of which the Company has agreed to acquire a beneficial interest in the mineral rights (other than lithium) in the REE Tenements). The Company has lodged the relevant documentation to affect the transfer of the Axel Tenements and anticipates the registration of the transfers to be completed imminently. Whilst every effort will be made by the Company to ensure the legal interest in the Axel Tenements is transferred, the approval of the registration of the legal transfer of the Axel Tenements is beyond the control of the Company. Further information in relation to the Asset Sale Agreement is set out in Section 9.2. Investors should be aware that in the event that the transfers are not registered/ affected, Foxfire will hold the Tenements on trust for the Company and the parties will continue to use their best endeavours to have the transfers registered. In these circumstances, the Company will not hold the legal title to the Tenements until such time as the transfers are registered.	Section 7.2 and 9.2

ITEM	SUMMARY	FURTHER INFORMATION
D. Key Risks		
Access and third-party interests	There is a substantial level of regulation and restriction on the ability of exploration and mining companies have access to land in Brazil. A number of the 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. Please refer to Section 7.2 and the Solicitor's Tenement Report in Annexure B for further details.	Section 7.2 and Annexure B
Applications	The Tenements are at various stages of application and grant. Specifically, eleven Tenements (ten Axel Tenements and one REE Tenement) are currently under application, including some with competing applications from third parties. Specifically, a considerable proportion of exploration permit applications 830881/2023, 830883/2023 and 830885/2023 overlap existing exploration and mining claims, which may result in a reduction in the granted exploration permits. Further information is set out in Parts IV.1.10.3 to IV.1.10.5 of the Solicitor's Tenement Report for further information. Exploration permit applications 832092/2023 and 832093/2023 were rejected by the ANM on the basis that these exploration permit applications completely overlapped third party tenements (including other exploration permits held by or exploration permit applications filed by Foxfire). In November 2023, Foxfire Metals applied for new exploration applications, 833341/2023 and 833340/2023, for the areas where the initial tenements were denied. There is a risk that these new exploration applications will not be granted. There can be no assurance that any exploration permit applications will be granted or, if granted, will be granted in their entirety. Other than exploration permit applications 833341/2023 and 833340/2023, the Company is unaware of any circumstances that would prevent the Tenements in application status from being granted, other than the competing applications. If any of the Tenements in application status are not granted or are only granted for part of the area applied for, the Company will lose the benefit of certain areas of those Tenements for its exploration activities. Please refer to the Solicitor's Tenement Report in Annexure B for further information on the Company's Tenement applications.	Section 7.2

ITEM	SUMMARY	FURTHER INFORMATION
D. Key Risks		
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). The granted exploration permits have not yet been subject to any renewal requests. Accordingly, there is a risk that the granted exploration permits will not be renewed. 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. Please refer to the Solicitor's Tenement Report in Annexure B for further details.	Section 7.2 and Annexure B
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, licenses 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.	Section 7.2

ITEM	SUMMARY	FURTHER INFORMATION
D. Key Risks		
Future funding requirements and the ability to access debt and equity markets	The funds raised under the Offer are considered sufficient to meet the exploration and evaluation objectives of the Company over the two years following Admission. Additional funding may be required in the event exploration costs exceed the Company's estimates, to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. In addition, should the Company consider that its exploration results justify commencement of production on any of its Projects, additional funding will be required to implement the Company's development plans, the quantum of which remains unknown at the date of this Prospectus. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's Tenements or even loss of a Tenement interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.	Section 7.2
Other risks	For additional specific risks please refer to Section 7.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 7.3 and 7.4.	Sections 7.2, 7.3 and 7.4

ITEM	SUMMARY	FURTHER INFORMATION
E. Board and Key Management		
Who are the Directors and key management personnel?	The Board consists of: (a) Paul Dickson – Non-Executive Chairman; (b) Fernando Tallarico – Managing Director; (c) Pat Volpe – Non-Executive Director; and (d) Ian Kiers – Non-Executive Director. The Company's key management personnel include Patrick Volpe (whom is the son of Non-Executive Director, Mr Pat Volpe), the Company Secretary. The profiles of the Directors and key management personnel are set out in Section 8.1 and 8.2.	Sections 8.1 and 8.2

3. Investment Overview continued

ITEM	SUMMARY	FURTHER INFORMATION

F. Significant Interests of Key People and Related Party Transactions

What interests do the Directors have in the securities of the Company?

The table below sets out the direct and indirect interests of the Directors in the Securities of the Company both as at the date of this Prospectus and following completion of the Offer (assuming the Minimum Subscription is achieved).

					PERCENTAGE (%)			
DIRECTOR	SHARES	OPTIONS	PERFORMANCE RIGHTS	CURRENT	MINIMUM SUBSCRIPTION		MAXIMUM SUBSCRIPTION	
					UNDILUTED	FULLY DILUTED	UNDILUTED	FULLY DILUTED
Paul Dickson			2,050,000	–	–	1.15%	–	1.01%
Fernando Tallarico	–	–	2,050,000	–	–	1.15%	–	1.01%
Pat Volpe	61,900,001	2,000,000[1]	–	57.30%	39.17%	35.96%	33.82%	31.53%
Ian Kiers	1,388,888	–	2,050,000	1.29%	0.88%	1.94%	0.76%	1.70%

Note:

1. Patrick Volpe (whom is the son of Mr Pat Volpe) holds 1,500,000 Options held by Archikan Holdings Pty Ltd as trustee for JAP Trust (in respect of which Mr Patrick Volpe is a director and beneficial owner). Patrick Volpe is not considered to be an associate of Pat Volpe.

Please refer to Section 8.4 for notes relating to the above table.

In addition, the Directors (and their spouses and associates) may apply for Shares under the Offer. If one or more of the Directors (or their associates) do apply for, and are allocated, Shares under the Offer, their relevant interest in the Company (as illustrated in the above table) will increase.

As included in Section 3 of the Investment Overview above, the Company was spun out of Foxfire Metals which is an entity controlled by non-executive director Mr Pat Volpe.

Section 8.4

What significant benefits are payable to the Directors and officers in connection with the Company or the Offer?

The Company has entered into separate director letter agreements with each of Mr Dickson, Mr Kiers and Mr Volpe, pursuant to which the Company agreed to pay Mr Dickson a Non-Executive Director and Chairman fee of $90,000 per annum plus superannuation effective from 6 March 2024, and each of Mr Volpe and Mr Kiers a Non-Executive Director fee of $80,000 per annum plus superannuation effective from 1 July 2023 in respect of Mr Volpe and 18 December 2023 in respect of Mr Kiers.

The Company has also entered into letter agreements pursuant to which the Company has agreed to pay Mr Pat Volpe and Mr Patrick Volpe each a cash bonus payment of $50,000 upon the Company being admitted to the Official List (**Cash Bonus Agreements**).

The Company has also entered into a consultancy services agreement with Consenza Consultoria Em Mineraçã Ltda (**Consenza Consultoria**) (a company controlled by Managing Director, Dr Tallarico) in relation to Dr Tallarico's appointment as Managing Director, pursuant to which Consenza Consultoria will be paid a monthly fee. Further details in respect of the services agreement is set out in Section 8.4.

Section 8.4.

ITEM	SUMMARY	FURTHER INFORMATION

F. Significant Interests of Key People and Related Party Transactions

Who are the Company's substantial Shareholders and who will the Company's substantial shareholders be on completion of the Offer?

Those Shareholders holding a relevant interest 5% or more of the Shares on issue both as at the date of this Prospectus is set out below.

SHAREHOLDER	SHARES	OPTIONS	PERCENTAGE (%)	
			UNDILUTED	FULLY DILUTED
As at the date of the Prospectus				
Pat Volpe & associates	61,900,001	2,000,000	57.30%	54.30%
Carlos Alberto Fereirra Teles	10,000,000	Nil	9.26%	8.50%

Based on information known to the Company as at the date of this Prospectus, on completion of the issue of Shares under the Offer with Minimum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer), the following persons (together with their associates) will have a relevant interest in 5% or more of the Shares on issue:

SHAREHOLDER	SHARES	OPTIONS	PERCENTAGE (%)	
			UNDILUTED	FULLY DILUTED
On completion of the Offer				
Pat Volpe & associates	61,900,001	2,000,000	39.17%	35.96%

Based on information known to the Company as at the date of this Prospectus, on completion of the issue of Shares under the Offer with Maximum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer), the following persons (together with their associates) will have a relevant interest in 5% or more of the Shares on issue:

SHAREHOLDER	SHARES	OPTIONS	PERCENTAGE (%)	
			UNDILUTED	FULLY DILUTED
On completion of the Offer				
Pat Volpe & associates	61,900,001	2,000,000	33.82%	31.53%

Please refer to Section 5.8 for notes relating to the above tables.

Section 5.8

3. Investment Overview continued

ITEM	SUMMARY	FURTHER INFORMATION
F. Significant Interests of Key People and Related Party Transactions		
Who is the lead manager to the Offer?	The Company has appointed Bell Potter Securities Limited (ACN 006 390 772) (**Lead Manager**) as lead manager to the Offer. The Lead Manager will receive the following fees: (a) management fee of 2% of all funds raised under the Offer; (b) selling fee of 4% of all funds raised under the Offer; and (c) 5,000,000 unlisted Advisor Options with an exercise price of $0.37 per Option expiring within three years from the date of issue.	Section 4.6
Are there any related party transactions?	The Company has entered into the following related party transactions: (a) Asset Sale Agreement (entered into with Foxfire Metals which is an entity controlled by non-executive director Mr Pat Volpe); (b) Existing Royalty Deed (refer to VII.3 of the Solicitor's Tenement Report); (c) Assignment Agreement entered into with Foxfire Metals (which is an entity controlled by non-executive director Mr Pat Volpe. Refer to VII.2 of the Solicitor's Tenement Report); (d) letters of appointment with each of the Non-Executive Directors on standard terms; (e) the consultancy services agreement with Consenza Consultoria and Dr Tallarico; (f) Cash Bonus Agreements; and (g) deeds of indemnity, insurance and access with each of the Directors and Key Management Personnel on standard terms. All of the above agreements were negotiated on arm's length terms and, where appropriate, the relevant Director was excluded from the Board's deliberations on the relevant agreement. Refer to Section 6.7 and Section 9 for further information.	Section 6, Section 9 and VII of the Solicitor's Tenement Report

ITEM	SUMMARY	FURTHER INFORMATION
G. Financial Information and Dividend Policy		
How has the Company been performing?	As the Company was only recently incorporated on 21 February 2023, it has limited financial performance and limited operating history. As a mineral exploration and development company, the Company is not in a position to disclose any key financial ratios other than its statement of profit and loss, statement of cash flows and pro-forma statement of financial position which is included in the Investigating Accountant's Report set out in Annexure C.	Section 5 and Annexure C

ITEM	SUMMARY	FURTHER INFORMATION
G. Financial Information and Dividend Policy		
What is the financial outlook for the Company?	Given the current status of the Company's Projects and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings. 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 on a reasonable basis.	Section 5 and Annexure C
What is the Company's dividend policy?	Payment of dividends by the Company is at the discretion of the Board. Given the stage of development of the Company, the Board anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least the first two-year period following Admission. Accordingly, the Directors have no current intention to declare and pay a dividend and no dividends are expected to be paid during the foreseeable future following the Company's Admission. In determining whether to declare future dividends, the Directors will consider the level of earnings of the Company, the operating results and overall financial condition of the Company, future capital requirements, capital management initiatives, general business outlook and other factors the Directors may consider relevant at the time of their decision. The Directors cannot and do not provide any assurances in relation to the future payment of dividends or the level of franking credits attaching to dividends.	Section 5.10

ITEM	SUMMARY	FURTHER INFORMATION
H. Capital Structure		
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to Shares offered under the Offer are set out in Section 10.2.	Section 10.2
What will the Company's capital structure be on completion of the Offer and listing on ASX?	Assuming the Maximum Subscription is raised, on completion of the Offer and the Company's listing on ASX, the Company will have 183,035,612 Shares, 13,500,000 Options and 6,150,000 Performance Rights on issue.	Section 5.7

3. Investment Overview continued

ITEM	SUMMARY	FURTHER INFORMATION
I. Overview of the Offer		
What is the Offer?	The Offer is an offer of up to 75,00,000 Shares at an issue price of $0.20 per Share to raise up to $15,000,000 (before costs).	Section 4.1
Is there a minimum subscription under the Offer?	The minimum subscription to the Offer is $10,000,000 (50,000,000 Shares).	Section 4.3
Why is the Offer being conducted?	The Offer is being conducted primarily to: (a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules to facilitate the Company's application for Admission; (b) provide the Company with funding for: (i) the proposed exploration programs at the Projects (as further detailed in Section 5); (ii) evaluating acquisition opportunities that may be presented to the Board from time to time; and (iii) the Company's working capital requirements while it is implementing its business strategies; (c) provide the Company with access to capital markets to improve capital management flexibility; (d) provide the Company with the benefits of an increased profile that arises from being a listed entity; (e) demonstrate commitment to best practice corporate governance; (f) improve transparency to the Company's key stakeholders as a result of compliance with the continuous disclosure requirements of the ASX; (g) broaden the Company's shareholder base and provide a liquid market for the Shares; and (h) pay transaction costs associated with the Offer.	Section 4
What is the proposed use of funds raised under the Offer?	The Company intends to apply funds raised under the Offer, together with existing cash reserves post-Admission, as set out in Section 5.5 to advance the Company's main objectives upon Admission. The Board is satisfied that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives as detailed in this Prospectus.	Section 5.5
What is the Offer Price?	The price payable under the Offer is $0.20 per Share.	Section 4.1
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 4.7

ITEM	SUMMARY	FURTHER INFORMATION
I. Overview of the Offer		
Are there any conditions to the Offer?	The Offer is conditional on: (a) the Minimum Subscription to the Offer being reached; and (b) ASX granting conditional approval for the Company to be admitted to the Official List, (together, the **Conditions**). The Offer will only proceed if all Conditions are satisfied. Further details are set out in Section 4.8.	Section 4.8
How is the Offer structured?	The Offer is structured as follows: (a) the Public Offer which consists of an offer to the public of up to $2,000,000 or otherwise the balance of Shares that are not taken up by other components of the Offer (refer to Section 4.3); and (b) the Institutional Offer which consists of an offer to certain institutional and professional investors to apply for Shares to raise up to $13,000,000 or a greater amount at the discretion of the Company (refer to Section 4.3).	Section 4.3
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer or invitation in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia or as permitted by Section 4.12 may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Important Notice Section and Section 4.12
How can I apply for Shares?	The process for applying for Shares in the Company is set out in Section 4.3. Applications for Shares under the Offer must be made by completing the Application Form attached to, or accompanying, this Prospectus in accordance with the instructions set out in Section 4.3 and the Application Form.	Section 4.3
What is the allocation policy?	The allocation of Shares under the Offer (comprising of the Public Offer and Institutional Offer) will be determined by the Company in consultation with the Lead Manager, having regard to the allocation policy set out in Sections 4.3.2 and 4.3.3. No assurance can be given that any applicant will be allocated all or any Shares applied for.	Section 4.3

3. Investment Overview continued

ITEM	SUMMARY	FURTHER INFORMATION
I. Overview of the Offer		
What other offers are being made under this Prospectus?	This Prospectus also contains the offer of 10,000,000 Options (**Advisor Options**) to the Lead Manager and Pamplona (and/or their nominees) (**Secondary Offer**). The Lead Manager will receive 5,000,000 of the Advisor Options in accordance with the fees outlined in 3(F) above and Section 9.1. Pamplona will receive 5,000,000 of the Advisor Options for prior services provided to the Company in relation to an equity seed raising conducted in October 2023. Pamplona have not provided any services to the Company in relation the Offer under this Prospectus. The terms and conditions of the Advisor Options are set out in Section 10.4. The purpose of the Secondary Offer is to remove any trading restrictions Shares issued on exercise of the Options to be issued under the Secondary Offer, given that the Options offered under the Secondary Offer are being issued with disclosure under this Prospectus.	Section 4.9
Will any Shares be subject to escrow?	None of the Shares issued under the Offer will be subject to escrow. However, subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, it is anticipated that 100,035,612 Shares, 13,500,000 Options and 6,150,000 Performance Rights will be subject to escrow conditions. During the period in which restricted Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner. The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX. The Company confirms its 'free float' (the percentage of the Shares that are not restricted and are held by shareholders who are not related parties (or their associates) of the Company at the time of Admission) will be not less than 20% in compliance with ASX Listing Rule 1.1 Condition 7.	Section 5.9
Will the Shares be quoted on ASX?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 4.10
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in Section 2.	Section 2
What is the minimum application size under the Offer?	Applications for Shares under the Offer must be for a minimum of $2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of 2,500 Shares and payment for the Shares must be made in full at the Offer Price of $0.20 per Share.	Section 4.3

ITEM	SUMMARY	FURTHER INFORMATION
J. Additional information		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer. However, the Company will pay to the Lead Manager 6% (ex GST) of the total amount raised under the Prospectus (a selling fee of 4% and management fee of 2%) and will issue the Lead Manager 5,000,000 Advisor Options.	Sections 4.6 and 9.1
Can the Offer be withdrawn?	Yes. The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful applicants. If the Offer does not proceed, application monies will be refunded (without interest).	Section 4.15
What are the tax implications of investing in Shares?	The acquisition and disposal of Shares will have consequences, which will differ depending on the individual financial affairs of each investor. Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus. It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, 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.	Section 4.14
What are the corporate governance principles and policies of the Company?	To the extent applicable, in light of the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**). The Company's main corporate governance policies and practices and the Company's compliance and departures from the Recommendations as at the date of this Prospectus are outlined in Section 8.7. In addition, the Company's full Corporate Governance Plan is available from the Company's website (www.axelreelimited.com.au).	Section 8.7
Can general meetings of shareholders be held using technology?	The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.	Section 10.2
Where can I find more information about this Prospectus or the Offer?	(a) By speaking to your accountant, financial adviser, stockbroker, lawyer or other professional adviser; (b) By contacting the Company Secretary, on +61 3 9249 9555; or (c) By contacting the Share Registry on 1300 288 664.	

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

SECTION 4

Details of the Offer

4. Details of the Offer

4.1 Description of the Offer

The Offer is an initial public offering of up to 75,000,000 Shares at an issue price of $0.20 per Share to raise up to $15,000,000 (before associated costs).

All Shares offered under this Prospectus will be fully paid and will rank equally with the existing Shares currently on issue. Please refer to Section 10.2 for a summary of the material rights and liabilities attaching to the Shares.

The Offer is made on the terms and is subject to the conditions set out in this Prospectus.

4.2 Purpose of the Offer

The primary purposes of the Offer are to:

(a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules to facilitate the Company's application for Admission;

(b) provide the Company with funding for:

  (i) the proposed exploration programs at the Projects (as further detailed in Section 5);

  (ii) evaluating acquisition opportunities that may be presented to the Board from time to time; and

  (iii) the Company's working capital requirements while it is implementing its business strategies;

(c) provide the Company with access to capital markets to improve capital management flexibility;

(d) provide the Company with the benefits of an increased profile that arises from being a listed entity;

(e) demonstrate commitment to best practice corporate governance;

(f) improve transparency to the Company's key stakeholders as a result of compliance with the continuous disclosure requirements of the ASX;

(g) broaden the Company's shareholder base and provide a liquid market for the Shares; and

(h) pay transaction costs associated with the Offer.

The Company intends to apply the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 5.5.

4.3 The Offer

4.3.1 Structure of the Offer

The Offer is structured as follows:

(a) the Public Offer which is open to applicants with a registered address in Australia to raise up to $2,000,000 or otherwise the balance of Shares that are not taken up by other components of the Offer; and

(b) the Institutional Offer which is open to certain institutional and professional investors with a registered address in Australia, New Zealand, Hong Kong, Singapore, United Kingdom and the European Union (excluding Austria) to raise up to $13,000,000 (or a greater amount at the discretion of the Company).

The allocation of Shares within the Offer (comprising of the Public Offer and the Institutional Offer) will be determined by agreement between the Company and the Lead Manager having regard to the allocation policies set out in Sections 4.3.2 and 4.3.3.

The Company in consultation with the Lead Manager reserves the right to close the Offer early, to accept late applications or extend the Offer without notifying any recipient of this Prospectus or any applicant.

4.3.2 Public Offer

Who can apply?

Members of the public with a registered address in Australia may apply for Shares under the Public Offer. Shares acquired by investors as part of the Public Offer will be issued under this Prospectus.

How to apply?

Applications for Shares under the Offer must be made by using the relevant Application Form as follows:

(a) using an online Application Form at www.axelreelimited.com.au or apply.automic.com.au/AxelREELimited and paying the application monies electronically; or

(b) completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

By completing an Application Form, each applicant under the Public Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares under the Public Offer must be for a minimum of $2,000 worth of Shares (10,000 Shares) and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the Offer Price of $0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to "**Axel REE Limited – IPO Account**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (AEST) on the Closing Date, which is scheduled to occur on 20 June 2024.

If paying by BPAY® or EFT (Electronic Funds Transfer), please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY or EFT reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY or EFT should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date. You do not need to return any documents if you have made payment by BPAY or EFT.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Public Offer early.

Allocation policy under the Public Offer

The allocation of Shares under the Offer will be determined by the Company in consultation with the Lead Manager.

The Company, in consultation with the Lead Manager, retains an absolute discretion regarding the basis of allocation of Shares under the Public Offer and reserves the right, in its absolute discretion, to allot to any applicant a lesser number of Shares than the number for which the applicant applies for or to reject any application. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Public Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in consultation with the Lead Manager) will be influenced by the following factors:

(a) the number of Shares applied for by particular applicants;

(b) the overall level of demand under the Offer as a whole, including the Institutional Offer;

(c) the Company's desire for a spread of investors;

(d) the Company's desire to establish a wide spread of investors, including institutional investors;

(e) recognising the ongoing support of existing Shareholders;

(f) the likelihood that particular applicants will be long-term Shareholders;

(g) ensuring an appropriate Shareholder base for the Company going forward; and

(h) any other factors that the Company and the Lead Manager consider appropriate.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

4.3.3 Institutional Offer

Who can apply?

Under the Institutional Offer institutional and professional investors in Australia, New Zealand, Hong Kong, Singapore, United Kingdom and the European Union (excluding Austria) were invited to bid for Shares under this Prospectus. Application procedures for the Institutional Offer have been, or will be, advised to the institutional investors by the Lead Manager.

The Institutional Offer is scheduled to close on 17 June 2024. The Company reserves the right to close the Institutional Offer early, extend the Institutional Offer, accept late applications either generally or in particular cases, reject any application or bid, or allocate to any applicant fewer Shares than applied for.

Shares acquired by institutional investors as part of the Institutional Offer will be issued under this Prospectus at the Offer Price of $0.20 per Share.

Allocation policy under the Institutional Offer

The allocation of Shares under the Institutional Offer will be determined by the Company in consultation with the Lead Manager.

The Company, in consultation with the Lead Manager, retains an absolute discretion regarding the basis of allocation of Shares under the Institutional Offer and reserves the right, in its absolute discretion, to allot to any applicant a lesser number of Shares than the number for which the applicant applies for or to reject any application. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Institutional Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in consultation with the Lead Manager) will be influenced by the following factors:

(a) the number of Shares bid for by particular applicants;

(b) the timeliness of the bid by particularly applicants;

(c) the overall level of demand under the Offer as a whole, including the Public Offer;

(d) the Company's desire for an informed and active trading market following its listing on ASX;

(e) the Company's desire to establish a wide spread of institutional investors;

(f) recognising the ongoing support of existing Shareholders;

(g) the likelihood that particular applicants will be long-term Shareholders;

(h) the size and type of funds under management of particular applicants;

(i) ensuring an appropriate Shareholder base for the Company going forward; and

(j) any other factors that the Company and the Lead Manager consider appropriate.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

4.4 Minimum subscription

The minimum subscription to the Offer is $10,000,000 (50,000,000 Shares) (**Minimum Subscription**).

If the Minimum Subscription has not been raised within four months after the date of this Prospectus or such period as varied by the ASIC, no Shares will be issued under the Offer and the Company will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

4.5 Oversubscriptions

No oversubscriptions will be accepted by the Company under the Offer.

4. Details of the Offer continued

4.6 Lead Manager

The Company has appointed Bell Potter Securities Limited (ACN 006 390 772) (**Lead Manager** or **Bell Potter**) as lead manager to the Offer. In consideration for its services, the Company has agreed to pay the following fees to the Lead Manager:

(a) a management fee of 2% of all funds raised under the Offer; and

(b) a selling fee of 4% of all funds raised under the Offer,

(c) 5,000,000 Adviser Options – valued at $385,000, based on the value ascribed to Adviser Options in Section 6.3 and Note 7 to the pro-forma statement of financial position set out in Section 6.6.

Following Admission, in the event all Adviser Options held by Bell Potter are exercised and no other Shares are issued or Options exercised, Bell Potter would hold 3.16% of the total Shares on issue (being the maximum potential voting power of Bell Potter on an undiluted basis and assuming only the Minimum Subscription is raised under the Offer). It should be noted that a portion of the Adviser Options may be granted to other parties that assist with raising funds under the Offer, including to Bell Potter or their nominees and the potential maximum voting power of Bell Potter will reduce to the extent this occurs.

4.7 Underwriting

The Offer is not underwritten.

4.8 Conditions of the Offer

The Offer is conditional upon the following conditions being satisfied:

(a) the Minimum Subscription to the Offer being reached; and

(b) ASX granting conditional approval for the Company to be admitted to the Official List,

(together the **Conditions**).

If the Conditions are not satisfied then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.

4.9 Secondary Offer

This Prospectus also contains the offer of an aggregate of 10,000,000 Options (**Advisor Options**) to the Lead Manager and Pamplona (and/or their respective nominees) (**Secondary Offer**).

The purpose of the Secondary Offer is to remove any trading restrictions attaching to Shares issued on exercise of the Options issued under the Secondary Offer, given that the Options offered under the Secondary Offer are being issued with disclosure under this Prospectus. The Secondary Offer will open on the opening date of the Offer and remain open until the Company's admission to the Official List, unless closed earlier by the Company, in its sole discretion.

The Secondary Offer is only available for application by the Lead Manager and Pamplona (and/or their respective nominee/s), respectively. An application form and instructions on how to apply in relation to the Secondary Offer will only be provided to the relevant parties by the Company. Applications for Securities under the Secondary Offer must only be made using the application forms to be provided by the Company and attached to, or accompanying this, Prospectus.

The Shares issued upon the future exercise of Options offered under the Secondary Offer will rank equally with the Shares on issue at the date of this Prospectus. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.2. The Options to be issued under the Secondary Offer will be issued on the terms and conditions set out in Section 10.4.

No payment is required to subscribe for Securities under the Secondary Offer. Accordingly, no funds will be raised pursuant to the Secondary Offer. The Company reserves all discretions in relation to applications under the Secondary Offer.

4.10 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not grant Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. Accordingly, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares under the Offer and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The Company will not apply for Official Quotation of the Advisor Options issued pursuant to this Prospectus.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities offered for subscription under this Prospectus.

4.11 Issue

Subject to the Conditions set out in Section 4.6 being satisfied, issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. However, the Company will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors (in consultation with the Lead Manager) will determine the recipients of the Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.3). The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares allocated to the Company's sponsored subregister and confirmation of allocation for Clearing House Electronic Subregister System (CHESS) holders will be mailed to applicants being allocated Shares under the Offer as soon as practicable after their issue.

4.12 Applicants outside Australia

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

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those outlined below. In particular, this Prospectus may not be distributed in the United States or elsewhere outside Australia, except to institutional and professional investors in New Zealand, Hong Kong, Singapore, United Kingdom and the European Union (excluding Austria) in transactions exempt from local prospectus or registration requirements. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that you have complied with these restrictions.

Further details in respect of participation by institutional and professional investors in New Zealand, Hong Kong, Singapore, United Kingdom and the European Union (excluding Austria) are set out in the Important Notices Section. The information set out in the Important Notices Section is indicative only and investors in such jurisdictions should seek their own advice prior to applying for Shares under the Offer.

4.12.1 European Union (excluding Austria)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

4.12.2 Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this document may not be distributed, and the Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

4.12.3 New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (the **FMC Act**).

The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

(e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

4.12.4 Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

4.12.5 United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus

Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

4.13 Commissions payable

The Company reserves the right to pay commissions of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commissions that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

4.14 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.

It is not possible to provide a comprehensive summary of the possible taxation positions of all prospective applicants. As such, all prospective investors in the Company are urged to obtain independent taxation and 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 advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

4.15 Discretion regarding the Offer

The Offer may be withdrawn at any time. If the Offer does not proceed, all relevant application monies will be refunded (without interest) in accordance with applicable laws.

The Company also reserve the right to close the Offer (or any part of it) early, extend the Offer (or any part of it), accept late applications either generally or in particular cases, reject any application or bid, or allocate to any applicant fewer Shares than applied for.

SECTION 5

Company and Projects Overview

5. Company and Projects Overview

5.1 Background

The Company is an Australian unlisted public company incorporated on 21 February 2023 as a wholly-owned subsidiary of Foxfire Metals Pty Ltd (ACN 609 688 824) (**Foxfire Metals**) with the primary focus on exploring the Caladáo, Caldas, Itiquira and Corrente projects, and more recently, raising seed capital as a standalone entity to fund its proposed exploration activities on its project areas prospective for rare earth elements.

5.2 Overview of the Projects

At listing, the Company's Projects will comprise the following:

(a) the Caladáo Project, located in the "Lithium Valley" region of the northern Minas Gerais State;

(b) the Caldas Project, located in the southern Minas Gerais State, bordering with São Paulo State;

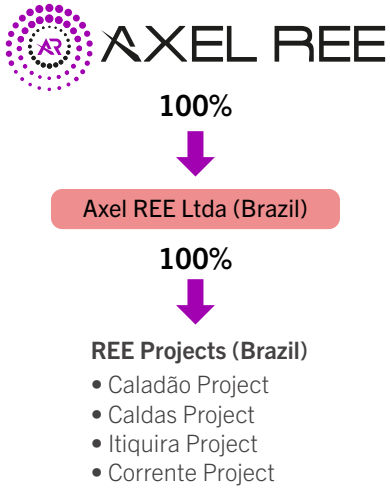
(c) the Itiquira Project, located in the Mato Grosso State; and

(d) the Corrente Project, located in the Piauí State.

Pursuant to the Asset Sale Agreement, the Company (and its wholly owned subsidiary Axel Brazil) entered into an agreement to acquire 100% legal and beneficial interest in the Axel Tenements, whilst only acquiring 100% beneficial interest in the mineral rights (other than lithium) in the REE Tenements.

For clarity, the Projects are comprised of the Tenements, and the Tenements are comprised of the Axel tenements and the REE Tenements.

At listing, the Projects will be held by the Company via its 100%-owned Brazilian subsidiary Axel REE Ltda.[1]



Note: The Company notes that the reference in this image to Axel REE Ltda holdings 100% of the REE Projects is subject to registration of the transfers of the Axel Tenements as referred to in the Solicitor's Tenement Report in Annexure B and in the risk factors in Section 7.2.

Together, the Projects will cover 110,516 hectares (1,105km^2) of exploration tenure (54 granted exploration permits, 11 pending exploration permit applications) in Brazil, the equal third largest country globally in terms of REE resources.

1. Subject to completion of the transfers of the Tenements as referred to in the Solicitor's Tenement Report in Annexure B.

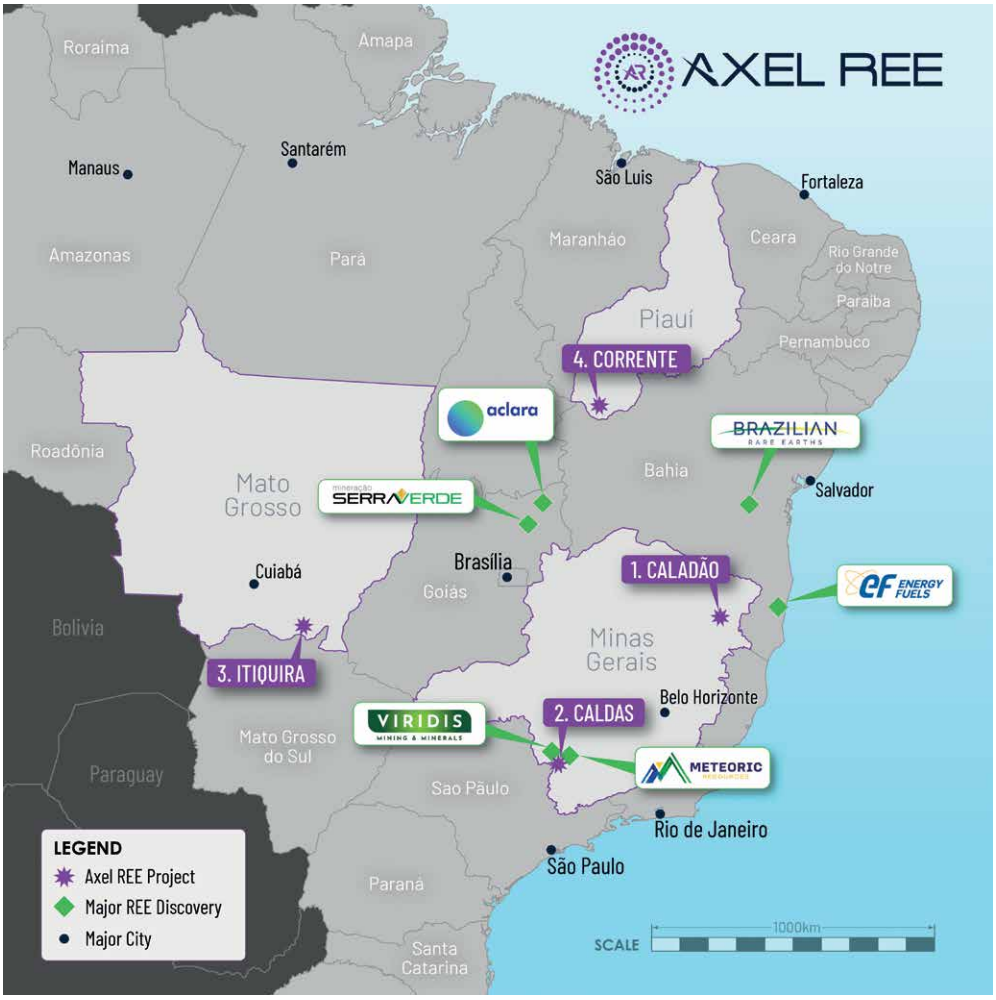
5. Company and Projects Overview continued

Table 1 – Company Project Tenements

PROJECT	TENEMENT APPLICATIONS	GRANTED TENEMENTS	TOTAL (HECTARES)
Caladáo Project[1]	7,443	34,325	41,768
Caldas Project	1,143	22,093	23,236
Itiquira Project	–	39,580	39,580
Corrente Project	–	5,932	5,932
Total (hectares)	**8,586**	**101,930**	**110,516**

Refer to the tenement schedule in Exhibit III of the Solicitor's Tenement Report set out at Annexure B for an overview of all the Tenements.

Figure 1 – Location of the Company's Projects (1. Caladáo, 2. Caldas, 3. Itiquira, 4. Corrente)



The Company's flagship projects, the Caladáo Project and Caldas Project, are located near several main towns and provide access to highways, hydroelectrical grid power, water from the nearby Jequitinhonha River and commercial ports (Porto de Ilhéus and Porto de Vitória).

1. Includes the 100% beneficial interest in the mineral rights (other than lithium) in the REE Tenements assigned to the Company. Refer section V of the Solicitor's Tenement Report for further details.

Further details of the Projects are set out in:

(a) Sections 3.1 to 3.4 (inclusive) of the Independent Geologist's Report set out in Annexure A, which:

  (i) provides a summary of the regional and local geology and historical exploration at the Projects; and

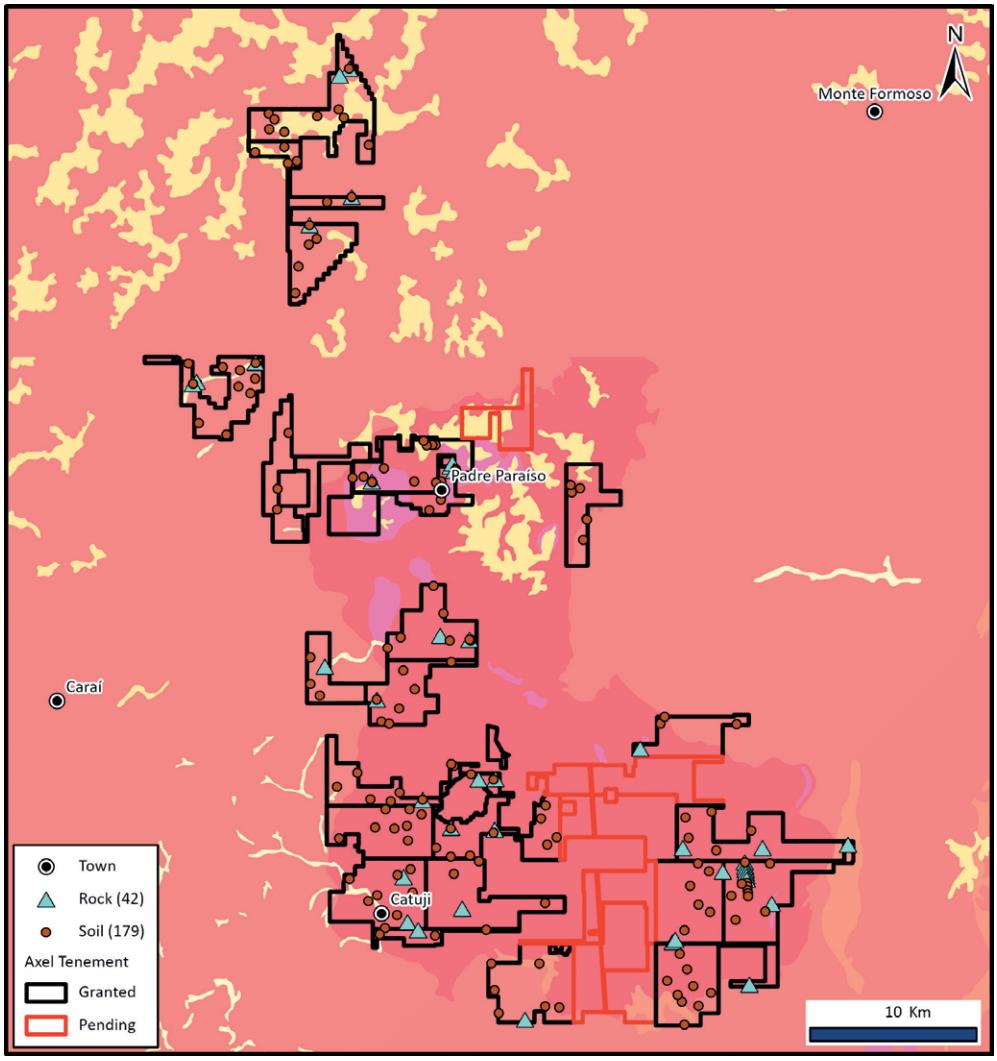
  (ii) considers the exploration programs proposed by the Company, the styles of mineralisation being targeted and the exploration potential of the Projects; and

(b) the Solicitor's Tenement Report set out in Annexure B, which considers the legal status, title and ownership of the Tenements.

5.2.2 Caladão Project

The Caladão Project is located near the town of Padre Paraíso in the Lithium Valley region of the Minas Gerais State and comprises approximately 417.68km^2 of granted exploration permits and exploration permit applications.

Figure 2 – Caladáo Project area with soil and rock chip sampling locations at Area A and Area B



The majority of the tenements are underlain by the Caladáo granite, a Cambrian I-type granite of the G5 supersuite, where large-scale greenfields REE mineralisation has been discovered in soils from the saprolite zone and the overlying unit.

In March 2023, an extensive program over the Caladáo Project area was completed including geological mapping and reconnaissance soil and rock chip sampling (137 samples).

5. Company and Projects Overview continued

Consistent REE mineralisation was discovered over the Caladáo project areas tested (all granted tenements) and two mineralised regions, Area A and Area B, were determined, spanning 25km in mineralised strike length.

The positive results from these programs established the potential of this Project and supported an external equity seed raising by the Company of $1.28 million in October 2023 to accelerate exploration activities.

Following the encouraging reconnaissance sampling results, in August 2023 the Company completed follow-up shallow auger drill programs at Area A (23 auger holes at an average depth of 13 meters) and Area B (25 auger holes at an average depth of 10 meters). The programs covered 25km of mineralised strike and drilling was completed based on aeromagnetic survey anomalies and surface sampling anomalies previously discovered.

Figure 3 – (Left to right) August 2023 completed auger drill program at Area A over aeromagnetic analytical imaging, radiometric (thorium), and radiometric (potassium)

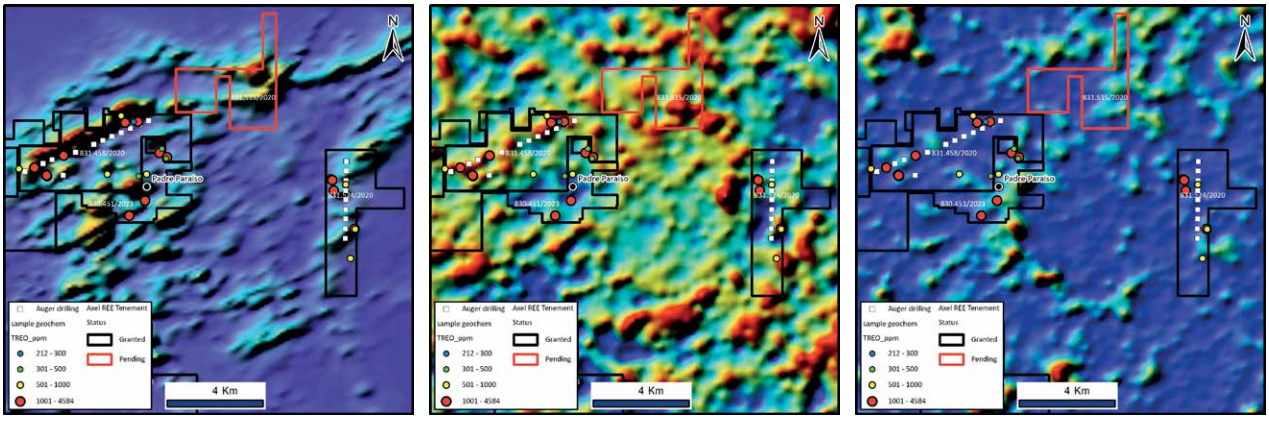


Figure 4 – (Left to right) August 2023 completed auger drill program at Area B over aeromagnetic analytical imaging, radiometric (thorium), and radiometric (potassium)

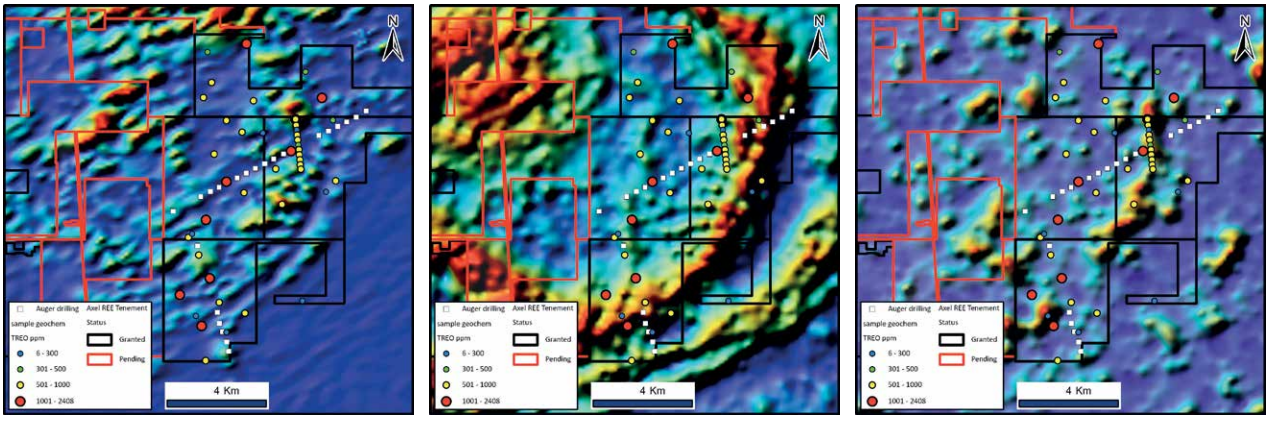


Table 2 – Area A significant intercepts of REE mineralisation (cutoff 1,000ppm TREO)

HOLE		FROM (M)	TO (M)	INTERVAL (M)	TREO (ppm)	MREO[1] (ppm)
CLD-AUG-005		0	10	10	3,012	742
CLD-AUG-008		0	4	4	1,250	136
	and	6	14	8	2,835	810
CLD-AUG-010		8	13	5	1,383	236
CLD-AUG-011		6	10	4	1,136	48
CLD-AUG-016		2	9	7	1,616	256
CLD-AUG-018		0	6	6	1,610	359
CLD-AUG-019		0	10	10	2,423	708
CLD-AUG-020		2	6	4	1,082	63
	and	8	16	8	2,303	445
CLD-AUG-021		0	4	4	1,806	142
	and	6	12	6	2,152	615
CLD-AUG-022		0	12	12	1,449	228
CLD-AUG-023		10	17	7	1,630	160
CLD-AUG-025		8	10	2	1,330	173
	and	12	14	2	7,612	2,895
CLD-AUG-026		2	8	6	2,042	561
CLD-AUG-027		4	6	2	1,034	183
	and	8	13	5	2,067	454
CLD-AUG-028		2	20	18	2,678	704

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

Table 3 – Area B significant intercepts of REE mineralisation (cutoff 1,000ppm TREO)

HOLE	FROM (M)	TO (M)	INTERVAL (M)	TREO (ppm)	MREO (ppm)
CLD-AUG-029	0	10	10	2,872	1,012
CLD-AUG-030	0	3	3	1,475	343
CLD-AUG-032	10	17	7	1,613	283
CLD-AUG-033	2	12	10	1,793	298
CLD-AUG-034	8	10	2	1,126	269
CLD-AUG-035	12	15	3	1,380	358
CLD-AUG-036	8	12	4	1,054	172
CLD-AUG-037	2	11	9	1,575	443
CLD-AUG-038	4	10	6	2,449	862
CLD-AUG-042	2	6	4	1,197	229
and	8	10	2	1,155	265
CLD-AUG-044	0	2	2	1,352	293
CLD-AUG-045	4	10	6	1,425	316
CLD-AUG-046	2	6	4	1,565	161
CLD-AUG-048	2	4	2	1,084	51
CLD-AUG-049	0	7	7	1,993	392
CLD-AUG-050	2	6	4	1,121	108
CLD-AUG-051	2	4	2	1,518	313
and	8	11	3	1,057	77
CLD-AUG-052	0	14	14	1,582	476
CLD-AUG-053	12	13	1	1,195	217

Please refer to Appendix B of the Independent Geologist's Report set out in Annexure A for auger drill hole results.

The exploration activities completed to date indicate the area is highly prospective for hosting IAC-type REE mineralisation.

Prospective investors should refer to section 3.1 of the Independent Geologist's Report set out in Annexure A for further details of the Caladão Project, including location and access, geology and mineralisation and exploration history.

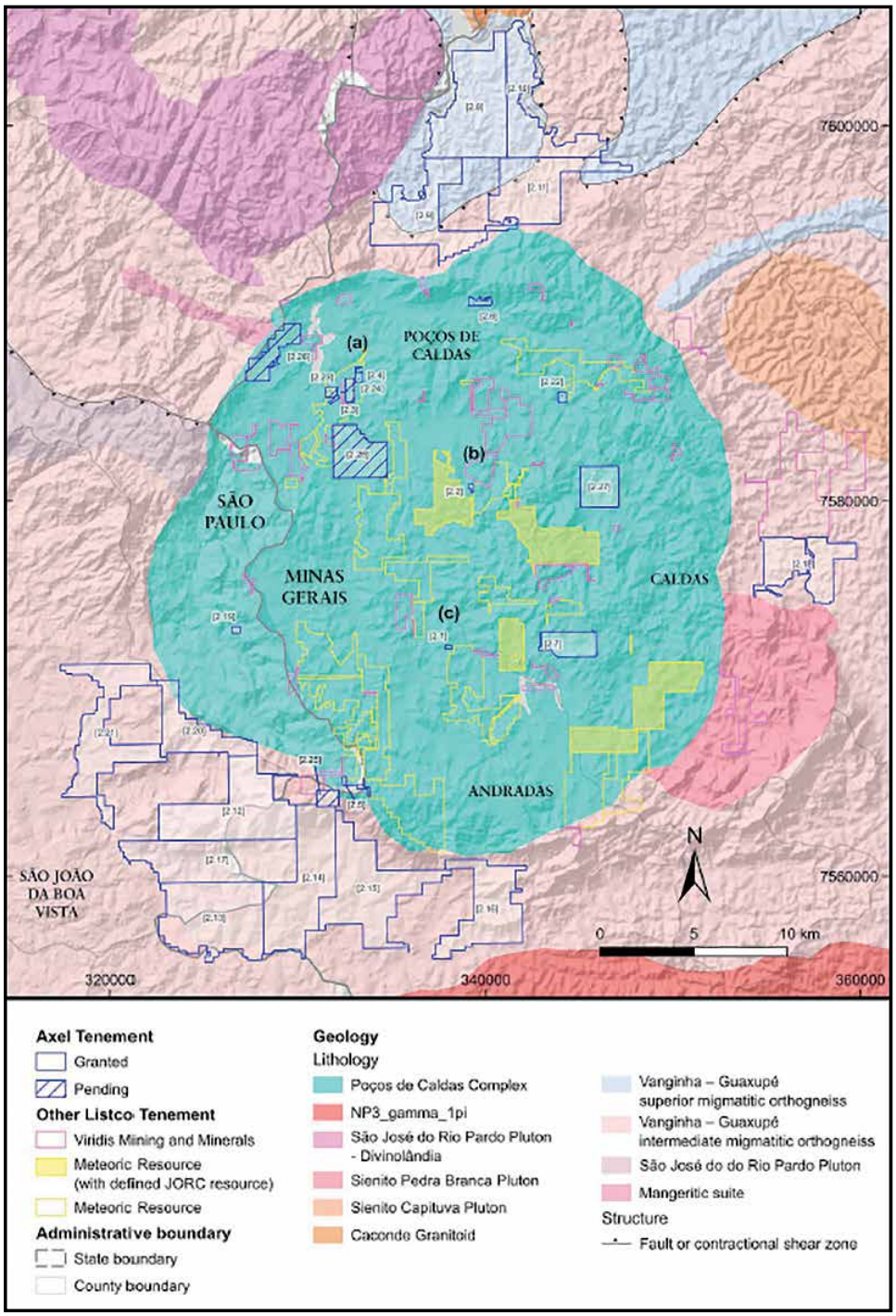
5.2.3 Caldas Project

The Caldas Project is located nearby the city of Poços de Caldas in the south of Minas Gerais in Brazil and comprises 232km^2 of granted exploration permits and exploration permits applications.

The Poços de Caldas Alkaline Complex is one of the most prominent alkaline igneous provinces in Brazil, covering an area of approximately 800km^2 and is renowned for its unique geological features and mineral deposits.

Currently, there are at least two IAC-type REE projects in development, the most advanced of these is the Caldeira Project by Meteoric Resources NL (ASX:MEI) that has reported an inferred mineral resource estimate in accordance with the JORC Code (2012) of 409 million tonnes with an average grade of 2,626ppm TREO at 1,000 parts per million cut off (as included in ASX announced released by Meteoric Resources NL on 1 May 2023). Magnetic rare earth content accounted for 24% of the TREO content.

Figure 5 – Simplified geological map of the Poços de Caldas Complex



In September 2023, the Company undertook an initial reconnaissance program at the Caldas Project comprising 34 soil samples and five rock chip samples. Initial results from this program indicate that REE mineralisation is not limited to the Project areas within the Poços de Caldas Alkaline Complex, but mineralisation could potentially extend within the weathering profile of the neighbouring gneissic rocks. The Caldas Project areas were strategically selected within the weathering profile surrounding the alkaline complex.

Prospective investors should refer to section 3.2 of the Independent Geologist's Report set out in Annexure A for further details of the Caldas Project, including location and access, geology and mineralisation and exploration history.

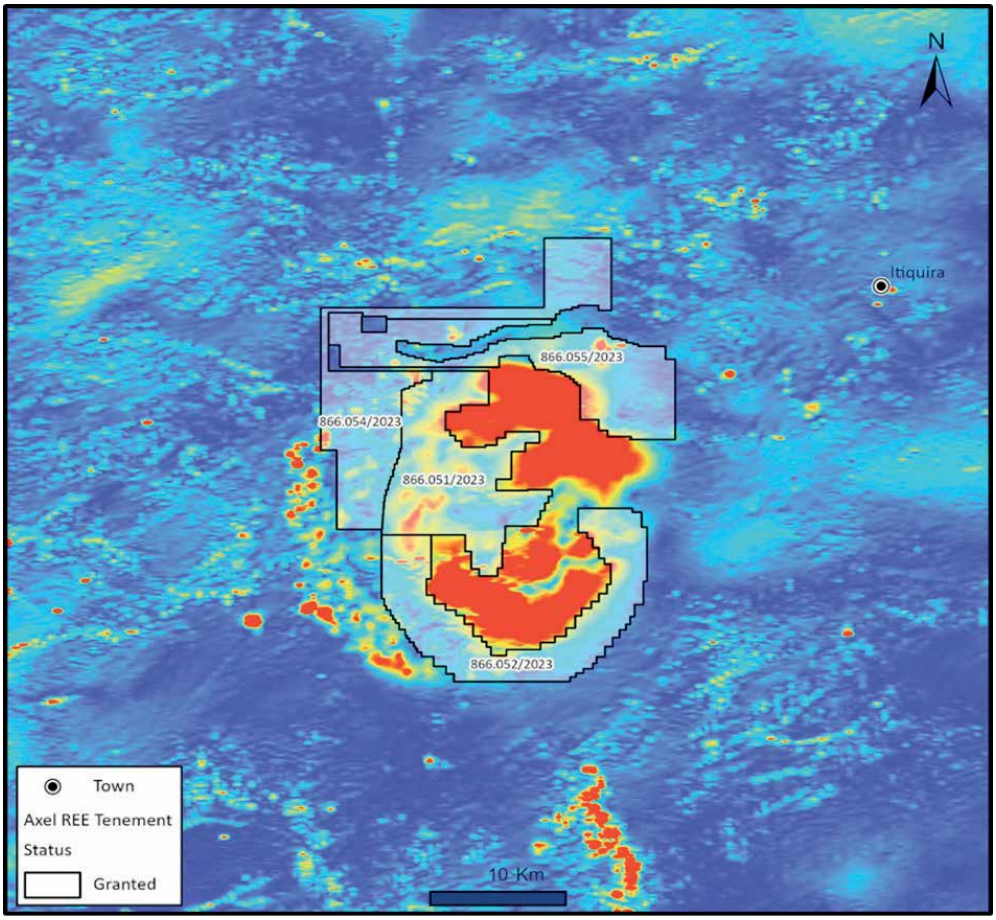
5. Company and Projects Overview continued

5.2.4 Itiquira Project

The Itiquira Project is located in Rondonopolis within the state of Mato Grosso. Magnetic survey has indicated the presence of an elliptical anomaly, measuring approximately 30km x 20km.

The distinctive circular structure of the magnetic and gravity anomalies draws a signature resembling the Serra Negra alkaline-carbonatite complex (Brazil) and the Palabora Complex (South Africa), which are typically known to host REE and other mineralisation including zirconium, uranium and fluoride.

Figure 6 – Map of the Itiquira Project tenements over analytical signal

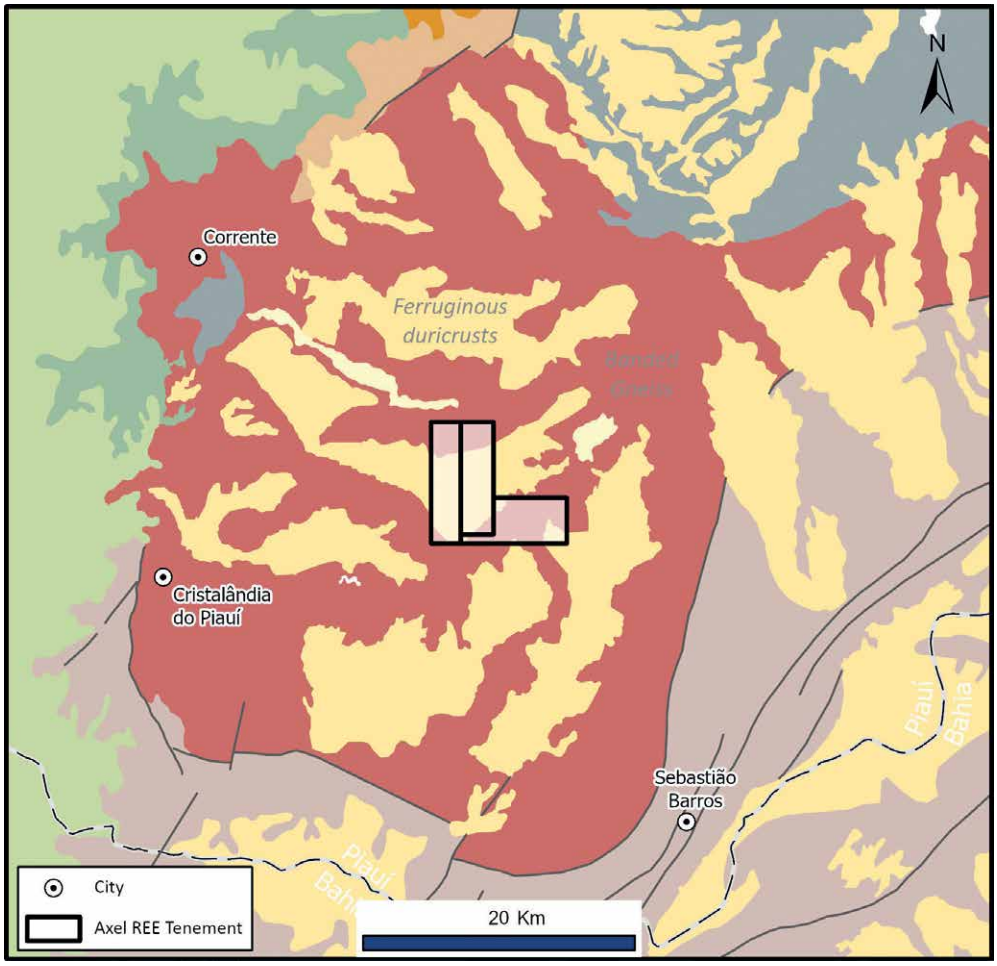


Prospective investors should refer to section 3.4 of the Independent Geologist's Report set out in Annexure A for further details of the Itiquira Project, including location and access, geology and mineralisation and exploration history.

5.2.5 Corrente Project

The Corrente Project is located in Sao Sebastiao do Piaui, a small city located in the state of Piaui, Brazil. The area is characterised by biotite paragneisses, granodioritic to tonalitic with thin intercalations of iron-bearing bands and molonitized levels of metamafic, meta-ultramafic and calc-silicate rocks.

Figure 7 – Map of the Corrente Project tenements



The Company plans to undertake a field assessment and geochemical program following completion of the Offer. Prospective investors should refer to section 3.3 of the Independent Geologist's Report set out in Annexure A for further details of the Corrente Project, including location and access, geology and mineralisation and exploration history.

5.3 Business model and strategy post listing on ASX

The Company has identified key Project areas on which it intends to primarily conduct its exploration activities, and substantively spend the funds raised from the Offer, over the first two years from listing (as detailed in Section 5.5 and the Independent Geologist's Report in Annexure A).

The Company's broad objective and primary focus is to create and sustain Shareholder value through the exploration and development of REE deposits at the Projects.

The Company is dedicated to enhancing shareholder value by actively pursuing the discovery and development of REE deposits in its Project areas. The Company's strategy involves identifying promising areas and efficiently evaluating these Project areas, with a focus on quickly and cost-effectively drilling well-defined targets.

The Company's immediate goal is to discover a significant REE deposit within its Caladáo Projects Area A and Area B located in Minas Gerais. This will be pursued by methodically exploring the key tenements outlined in the exploration strategy below and the Independent Geologist's Report.

The Company's main objectives upon listing on the ASX will be to:

(a) focus on advancing the mineralised target areas, or 'drill-ready' targets;

(b) ongoing field reconnaissance activities such as field mapping, rock chip and soil sampling and regional auger drill programs;

(c) ranking, prioritising and drilling best prospects to effectively evaluate their economic potential;

(d) assessing new strategic acquisitions and investment opportunities that may present;

(e) implement a growth strategy and actively canvas other mineral exploration and resource opportunities which have the potential to generate growth and value for Shareholders; and

(f) provide working capital.

In order to progress exploration and development of the Projects, the Company proposes to undertake the exploration programs detailed at Section 5.5.

These exploration programs are designed to test the economic viability of the Projects and the results will determine the commercial viability of the Projects and potential timing for the commencement of further exploration programs, if warranted.

In order to manage these exploration programs, and subject to the results of each stage of work, the Company expects to supplement its existing personnel with additional technical expertise as and when needed with a mixture of both permanent and contractor positions.

While the current priority is on these projects, the Company, in line with the nature of exploration companies and supported by its Board and management's proven track record in greenfield exploration and large mineral discoveries, also intends to leverage its expertise to explore new high-value opportunities in other regions. This expansion may provide additional benefits to its shareholders and could require further funding. As at the date of this Prospectus, no specific acquisitions have been identified for this purpose.

The funds raised from the Offer, together with existing cash reserves, will allow the Company to progress its business model.

5.4 Key dependencies

The key dependencies influencing the viability of the Company's business model are:

(a) completing the Offer;

(b) exploration success on the Projects, resulting in increased confidence in the commercial viability of the Projects;

(c) retaining title to the exploration permits making up the Project;

(d) retaining and recruiting key personnel skilled in the exploration and mining sector;

(e) sufficient worldwide demand for REE and other critical minerals;

(f) the market price of REE remaining higher than the Company's costs of any future production (assuming successful exploration by the Company);

(g) raising sufficient funds to satisfy expenditure requirements, exploration costs and operating costs in respect of the Projects; and

(h) minimising environmental impact and complying with environmental and health and safety requirements.

5.5 Proposed Exploration Program and Expenditure

Exploration work will initially be focussed on developing the anomalous REE mineralisation of the Caladáo Project Area A and Area B prospects (refer section 3.1.7 of the Independent Geologists' Report). This includes a systematic exploration program comprising auger drilling the Area A and Area B prospects with the objective to define a maiden JORC-compliant mineral resource.

The Company will also undertake exploration activities at the Caldas Project as detailed in section 3.2.7 of the Independent Geologist's Report, including:

(a) further surface sampling and geophysical surveys over prospects in the Poços de Caldas alkaline complex and within the weathering profile of the neighbouring gneissic rocks; and

(b) follow-up auger drilling is planned over priority targets identified.

Funds from the Offer will also be applied for exploration programs at the Corrente and Itiquira Projects (refer to the Independent Geologists' Report sections 3.3.6 and 3.4.6 respectively) that will include filed assessments and geochemical programs to develop exploration models and define potential drill targets,

5. Company and Projects Overview continued

A detailed breakdown of the Company's proposed exploration program during the two years post-listing is set out below.

	EXPLORATION BUDGET			
	MINIMUM SUBSCRIPTION ($10M)		MAXIMUM SUBSCRIPTION ($15M)	
CALADÃO PROJECT	YEAR 1 ($)	YEAR 2 ($)	YEAR 1 ($)	YEAR 2 ($)
Project planning, administration and permits	230,000	170,000	230,000	210,000
Surface sampling and geological mapping	–	–	–	120,000
Drilling	2,550,000	–	3,300,000	–
Assay	1,250,000	880,000	2,750,000	50,000
Geological review and mineral resource estimation	60,000	250,000	50,000	250,000
Sub-total	**4,090,000**	**1,300,000**	**6,330,000**	**630,000**
CALDAS PROJECT				
Project planning, administration and permits	190,000	190,000	190,000	190,000
Surface sampling and geological mapping	150,000	–	150,000	–
Geophysics	70,000	–	70,000	–
Drilling	–	330,000	–	330,000
Assay	60,000	270,000	60,000	270,000
Geological review and mineral resource estimation	–	270,000	–	270,000
Sub-total	**470,000**	**1,060,000**	**470,000**	**1,060,000**
ITIQUIRA PROJECT				
Project planning, administration and permits	120,000	100,000	120,000	130,000
Surface sampling and geological mapping	30,000	10,000	40,000	–
Geophysics	20,000	40,000	70,000	–
Drilling	–	–	–	830,000
Assay	10,000	10,000	10,000	270,000
Geological review and mineral resource estimation	–	–	–	270,000
Sub-total	**180,000**	**160,000**	**240,000**	**1,500,000**
CORRENTE PROJECT				
Project planning, administration and permits	20,000	40,000	40,000	20,000
Surface sampling and geological mapping	–	30,000	40,000	–
Geophysics	–	20,000	70,000	–
Drilling	–	–	–	410,000
Assay	–	–	10,000	140,000
Geological review and mineral resource estimation	–	–	–	270,000
Sub-total	**20,000**	**90,000**	**160,000**	**840,000**
Total	**4,760,000**	**2,610,000**	**7,200,000**	**4,030,000**
Total (Year 1 + Year 2)	**7,370,000**		**11,230,000**	

Results of drilling and other exploration activities at the Projects will determine future exploration activities, with further infill drilling and exploration drilling to be undertaken by the Company following receipt of results from the planned exploration set out above.

Further details of the Company's intended exploration program are contained in the Independent Geologist's Report in Annexure A.

5.6 Use of funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-Admission, over the first two years following Admission as follows:

FUNDS AVAILABLE	MINIMUM SUBSCRIPTION ($)	PERCENTAGE OF FUNDS (%)	MAXIMUM SUBSCRIPTION ($)	PERCENTAGE OF FUNDS (%)
Existing cash reserves[1]	$536,777	5.09%	$536,777	3.45%
Funds raised from the Offer	$10,000,000	94.91%	$15,000,000	96.55%
Total	**$10,536,777**	**100.00%**	**$15,536,777**	**100.00%**
Allocation of funds				
Exploration at the Projects[2]	$7,370,000	69.95%	$11,230,000	72.28%
Expenses of the Offer[3]	$945,493	8.97%	$1,267,303	8.16%
General and administration costs[4]	$1,976,172	18.75%	$2,150,572	13.84%
Working capital[5]	$245,112	2.33%	$888,902	5.72%
Total	**$10,536,777**	**100.00%**	**$15,536,777**	**100.00%**

Notes:

1. Refer to the Financial Information set out in Section 6 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer. Since 31 December 2023, the Company has expended approximately $78,090 in progressing the in-principal application for admission to the Official List and preparing the Prospectus including independent expert reporting.
2. Refer to Section 5.5 and the Independent Geologist's Report in Annexure A for further details with respect to the Company's proposed exploration programs at the Projects. All exploration expenditure has been allocated to granted Tenements.
3. Represents the cash expenses of the Offer (net of GST recoverable) and excludes the value of Options to be issued to the Lead Manager (valued at $385,000) and expenses of the Offer that have already been paid ($180,843). Refer to Section 10.11 for further details.
4. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs. As set out at Section 8.4, the Directors (other than Dr Fernando Tallarico, whom has agreed to accrue 50% of his directors' fees) have agreed to accrue all directors' fees from the date of their respective appointment dates until the date the Company is admitted to the Official List, at which time all accrued directors' fees will be paid. The payment of accrued directors' fees has been taken into account under the allocation of general and administration costs.
5. To the extent that:

   (a) the Company's exploration activities warrant further exploration activities; or

   (b) the Company identifies additional acquisition or investment opportunities,

   the Company's working capital will also be utilised to fund such further exploration activities and/or acquisition or investment costs (including due diligence investigations and expert's fees in relation to such acquisitions or investments) as applicable. Any amounts not so expended will be applied toward corporate and administration costs for the period subsequent to the initial two year period following Admission.

The above table is a statement of current intentions as of the date of this Prospectus. Prospective investors should note that, as with any budget, the allocation of the funds may change depending on various intervening events and new circumstances, including the outcome of exploration activities (including, exploration success or failure), regulatory developments and market and general economic conditions. Accordingly, the Board reserves the right to alter the way funds are applied on this basis.

It is anticipated that the funds raised under the Offer will enable two years of full operations (if the Minimum Subscription is raised). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Projects. The Board will consider the use of additional debt or equity funding where it is appropriate to accelerate growth, fund additional exploration on the Projects or to capitalise on acquisition or investment opportunities in the resources sector.

In the event the Company raises more than the Minimum Subscription of $10,000,000 under the Offer but less than the Maximum Subscription, the additional funds raised will be first applied towards additional exploration activities including fast-tracking activity at the Itiquira and Corrente Projects, expenses of the Offer, administration costs and working capital.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. However, it should be noted that an investment in the Company is highly speculative and prospective investors are encouraged to read the risk factors outlined in Section 7.

5.7 Capital structure

The capital structure of the Company as at the date of this Prospectus and following completion of the Offer (assuming both Minimum Subscription and Maximum Subscription under the Offer) is set out in the table below:

Shares[1]

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Securities currently on issue[2]	108,035,612	108,035,612
Securities to be issued pursuant to the Offer[3]	50,000,000	75,000,000
Total Shares on issue on completion of the Offer	**158,035,612**	**183,035,612**

Notes:

1. The material rights and liabilities attaching to the Shares are summarised in Section 10.2.
2. The Shares currently on issue comprise:
   (a) 1 Share issued on incorporation of the Company at an issue price of $1;
   (b) 89,961,666 Shares which were issued for nil cash consideration to the shareholders of Foxfire Metals (**FM Shareholders**), on the basis of one Share for every one share held in Foxfire Metals under a bonus issue to enable the FM Shareholders to continue to participate in the development of the Projects; and
   (c) 8,000,000 Shares issued at an issue price of $0.16 per Share pursuant to an initial seed capital raising which raised $1,280,000; and
   (d) 10,073,945 Shares which were issued upon conversion of Convertible Notes.
3. Shares to be issued at an issue price of $0.20 per Share to raise up to $15,000,000 under the Offer.
4. The Company will issue the Foxfire Consideration Shares to Foxfire Metals approximately 6 months after the date of admission of the Company to the Official List. Refer to Section 9.2 for further information.

Options

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Options currently on issue[1]	3,500,000	3,500,000
Options to be issued to Advisors[2]	10,000,000	10,000,000
Total Options on issue on completion of the Offer	**13,500,000**	**13,500,000**

Notes:

1. Refer to Section 10.3 for a summary of the terms and conditions of the Options.
2. Comprising:
   (a) 5,000,000 Options exercisable at $0.30 each within three years from the date of admission of the Company to the Official List; and
   (b) 5,000,000 Options exercisable at $0.37 each within three years from the date of issue.

Performance Rights

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Performance Rights currently on issue[1]	6,150,000	6,150,000
Performance Rights to be issued pursuant to the Offer	–	–
Total Performance Rights on issue on completion of the Offer	**6,150,000**	**6,150,000**

Note:

1. Refer to Section 10.5 for a summary of the terms and conditions of the Performance Rights.

5.8 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the table below.

SHAREHOLDER	SHARES	OPTIONS	PERCENTAGE (%)	
			UNDILUTED	FULLY DILUTED
As at the date of the Prospectus				
Pat Volpe & associates[2]	61,900,001	2,000,000	57.30%	54.30%
Carlos Alberto Fereirra Teles	10,000,000	Nil	9.26%	8.50%

Based on information known to the Company as at the date of this Prospectus, on completion of the issue of Shares under the Offer with Minimum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer), the following persons (together with their associates) will have a relevant interest in 5% or more of the Shares on issue:

SHAREHOLDER	SHARES	OPTIONS	PERCENTAGE (%)	
			UNDILUTED	FULLY DILUTED
On completion of the Offer				
Pat Volpe & associates	61,900,001	2,000,000	39.17%	35.96%

Based on information known to the Company as at the date of this Prospectus, on completion of the issue of Shares under the Offer with Maximum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer), the following persons (together with their associates) will have a relevant interest in 5% or more of the Shares on issue:

SHAREHOLDER	SHARES	OPTIONS	PERCENTAGE (%)	
			UNDILUTED	FULLY DILUTED
On completion of the Offer				
Pat Volpe & associates	61,900,001	2,000,000	33.82%	31.53%

Notes:

1. Based on information known to the Company as at the date of this Prospectus, on completion of the issue of Shares under the Offer (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer).
2. Comprising:
   (a) 1 Share held by Foxfire Metals (in respect of which Mr Pat Volpe is a director and substantial shareholder);
   (b) 29,500,000 Shares and 2,000,000 Options held by Dimensional Holdings Pty Ltd (in respect of which Mr Pat Volpe is sole director);
   (c) 27,400,000 Shares held by CAP Holdings Pty Ltd as trustee for CAP Trust (in respect of which Mr Pat Volpe is director and beneficial owner); and
   (d) 5,000,000 Shares held by Growthtech International Pty Ltd (in respect of which Mr Pat Volpe is a director and via his associated entities is a substantial shareholder).

   Following the issue of the Foxfire Consideration Shares to Foxfire Metals approximately 6 months after the date of admission of the Company to the Official List, Mr Volpe (and his associates) will have a relevant interest in an additional 832,059 Shares. Refer to Section 9.2 for further information.

   In addition, Patrick Volpe (whom is the son of Mr Pat Volpe) holds 1,500,000 Options held by Archikan Holdings Pty Ltd as trustee for JAP Trust (in respect of which Mr Patrick Volpe is a director and beneficial owner). Patrick Volpe is not considered to be an associate of Pat Volpe.

The Company will announce to the ASX details of its top-20 Shareholders following completion of the Offer prior to the Shares commencing trading on ASX.

5.9 Restricted Securities

Subject to the Company being admitted to the Official List and completing the Offer, certain Shares will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.

None of the Shares issued under the Offer will be subject to escrow. While the ASX has not yet confirmed the final escrow position, the Company anticipates that 100,035,612 Shares, 13,500,000 Options and 6,150,000 Performance Rights will be subject to escrow.

The number of Securities that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy. The above is a good faith estimate of the Shares that are expected to be subject to ASX imposed escrow.

The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval).

The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of Admission) will be approximately 45.35% comprising all Shares issued other than Shares subject to ASX imposed escrow or held by Directors or promoters.

5.10 Dividend policy

Payment of dividends by the Company is at the discretion of the Board. Given the stage of development of the Company, the Board anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the Company's Admission. Accordingly, the Directors have no current intention to declare and pay a dividend and no dividends are expected to be paid during the foreseeable future following the Company's listing on the ASX.

In determining whether to declare future dividends the Directors and will consider the level of earnings of the Company, the operating results and overall financial condition of the Company, future capital requirements, capital management initiatives, general business outlook and other factors the Directors may consider relevant at the time of their decision.

The Directors cannot and do not provide any assurances in relation to the future payment of dividends or the level of franking credits attaching to dividends can be given by the Company.

5.11 Additional Information

Prospective investors are referred to and encouraged to read in its entirety both the:

(a) the Independent Geologist's Report in Annexure A for further details about the geology, location and mineral potential of the Company's Projects;

(b) the Solicitor's Tenement Report in Annexure B for further details in respect to the Company's interests in the Projects; and

(c) the Investigating Accountant's Report in Annexure C for further details on the Company's financials.

SECTION 6

Financial Information

6. Financial Information

This Section contains a summary of the Company's financial information and is to be read in conjunction with the Investigating Accountant's Report (set out in Annexure C of this Prospectus) and prepared by the Independent Accountant, PKF Melbourne Corporate Pty Ltd. Investors should note the scope and limitations of that report.

The financial information contained in this Section 6 comprises the Company's Historical Financial Information being the audited historical consolidated statement of profit or loss and other comprehensive income and the audited historical consolidated statement of cash flows for the period 21 February 2023 to 30 June 2023 (**FY23**), the reviewed historical consolidated statement of profit and loss and other comprehensive income and the reviewed historical consolidated statement of cash flows for the half year ended 31 December 2023 (**HY24**) and the reviewed half year consolidated statement of financial position as at 31 December 2023 (together, the **Historical Financial Information**). The financial information also comprises of the Company's pro forma historical consolidated statement of financial position as at 31 December 2023 which shows the effect of the Offer on the Company (**Pro Forma Financial Information**).

The Historical Financial Information has been extracted from the audited financial report for FY23 and the reviewed half year financial report for HY24, which were audited/reviewed by PKF Audit (Perth) Pty Ltd (**PKF Perth**) who issued an unqualified audit opinion in respect of these financial periods.

The Directors are responsible for the preparation and presentation of the Historical and Pro Forma Financial Information.

All amounts disclosed in this Section 6 are presented in Australian dollars unless otherwise noted. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

The information in this Section should also be read in conjunction with the risk factors set out in Section 7 and other information contained in the Prospectus.

6.1 Pro Forma Financial Information

The accounting policies used to prepare the Pro Forma Financial Information are the same as the accounting policies used in preparation of the financial statements of the Company for FY23 and HY24 and are set out in this Section. The pro forma assumptions on which the Pro Forma Financial Information has been based are set out in Section 6.4 below.

6.2 Income Statement

Set out below is the historical consolidated Statement of Profit or Loss and other Comprehensive Income for the Company for FY23 and HY24.

HISTORICAL CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	AUDITED 21 FEB TO 30 JUN 2023 $	REVIEWED 31 DEC 2023 $
Revenue		
Interest income	–	6,166
Expense		
General and administration costs	(17,000)	(60,903)
Key management personnel and employee remuneration	–	(133,932)
Exploration and evaluation expense	–	(786,535)
Loss before income tax	**(17,000)**	**(975,204)**
Income tax expense	–	–
Loss after income tax benefit for the period	**(17,000)**	**(975,204)**
Total comprehensive loss for the period	**(17,000)**	**(975,204)**

6. Financial Information continued

6.3 Statement of Financial Position

Set out below is the Historical consolidated Statement of Financial Position as 31 December 2023 for the Company, the subsequent events and pro forma adjustments that have been made to it, and the consolidated Pro Forma Statement of Financial Position. These adjustments reflect various assumptions including the impact of the Offer that will be in place following completion of the Offer, as if they had occurred or were in place as at 31 December 2023.

With the exception of the subsequent events and pro forma adjustments noted in the table below no other material transactions have occurred between 31 December 2023 and the date of this Prospectus, which the Directors consider, require disclosure.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	NOTE	REVIEWED 31 DEC 2023 $	SUBSEQUENT EVENT ADJUSTMENTS TO 31 MAR 2024 $	PRO FORMA ADJUSTMENTS – MIN $	PRO FORMA BALANCE AFTER OFFER – MIN $	PRO FORMA ADJUSTMENTS – MAX $	PRO FORMA BALANCE AFTER OFFER – MAX $
Assets							
Cash and cash equivalents	3	656,037	(119,260)	8,954,506	9,491,284	13,632,697	14,169,475
Trade and other receivables	4	193,517	(9,272)	–	184,245	–	184,245
Total current assets		**849,554**	**(128,532)**	**8,954,506**	**9,675,529**	**13,632,697**	**14,353,720**
Total assets		**849,554**	**(128,532)**	**8,954,506**	**9,675,529**	**13,632,697**	**14,353,720**
Liabilities							
Current liabilities							
Trade and other payables	5	140,532	217,783	–	358,315	–	358,315
Total current liabilities		**140,532**	**217,783**	**–**	**358,315**	**–**	**358,315**
Total liabilities		**140,532**	**217,783**	**–**	**358,315**	**–**	**358,315**
Net assets		**709,022**	**(346,315)**	**8,954,506**	**9,317,213**	**13,632,697**	**13,995,405**
Equity							
Issued capital	6	1,702,227	40,607	8,913,293	10,656,127	13,578,670	15,321,504
Reserves	7	–	–	1,701,750	1,701,750	1,701,750	1,701,750
Retained earnings	8	(993,205)	(386,922)	(1,660,537)	(3,040,664)	(1,647,723)	(3,027,849)
Total equity		**709,022**	**(346,315)**	**8,954,506**	**9,317,213**	**13,632,697**	**13,995,405**

6.4 Assumptions used in preparing the Pro Forma Statement of Financial Position

The Pro Forma Consolidated Statement of Financial Position as at 31 December 2023 is based on the consolidated statement of financial position of Axel REE as at 31 December 2023 incorporating the following adjustments:

(a) on 6 February 2024, the Company executed an amended and restated Asset Sale Agreement (**ASA**) for the acquisition of the 30% Joint Venture interest in the REE Projects from Foxfire Metals Pty Ltd (Refer Section 9.2 in the Prospectus of further details of the Asset Sale Agreement). The Consideration for the ASA was $142,561.80 of which $9,432.41 was paid in cash. The balance of $133,129.39 will be satisfied by the issue of 832,059 ordinary shares at a deemed issue price of $0.16 per share approximately 6 months after the date of admission of the Company to the Official List.

(b) On 18 January 2024, 8,000,000 Class B non-voting shares were converted into ordinary fully paid shares on a one-for-one basis.

(c) On 21 March 2024, 40,000 Convertible Notes were converted into 200,000 ordinary fully paid shares at a deemed issue price of $0.06 per share. Refer Section 6.7 for further information.

(d) On 17 April 2024, 1,750,000 free unlisted Options exercisable at $0.30 per Option expiring three years from the date of issue (1,000,000 to Mr Pat Volpe, Non-Executive Director, and 750,000 to Mr Patrick Volpe, Company Secretary (or their nominees)) and a further 1,750,000 free unlisted Options exercisable at $0.37 per Option expiring three years from the date of issue (1,000,000 to Mr Pat Volpe – Non-Executive Director, and 750,000 to Mr Patrick Volpe – Company Secretary (or their nominees)) (together the **Officer Options**). The Officer Options were valued at $278,250 using a trinomial option pricing model. Refer Section 10.3 of the Prospectus for key terms of the Officer Options.

(e) On 17 April 2024, 6,150,000 Performance Rights were granted to Directors (2,050,000 to each of Mr Paul Dickson – Non-Executive Chairman, Dr Fernando Tallarico – Managing Director, and Mr Ian Kiers – Non-Executive Director) for nil consideration with various vesting milestones. The Performance Rights were valued using a trinomial pricing model. Refer to Section 10.5 of the Prospectus for further details of the Performance Rights and vesting conditions.

(f) The issue of 5,000,000 free unlisted Advisor Options to the Lead Manager exercisable at $0.37 and expiring 3 years from the date of issue. The 5,000,000 Advisor Options have been valued at $385,000 using a trinomial option pricing model and are included as part of the Costs of the Offer. Refer to Section 9.1 And 10.4 of the Prospectus for further details of the Lead Manager Mandate and Advisor Options respectively.

(g) The issue of 5,000,000 free unlisted Advisor Options to Pamplona Capital Pty Ltd exercisable at $0.30 and expiring 3 years from the date of admission of the Company to the Official List. The 5,000,000 Advisor Options have been valued at $410,000 using the trinomial option pricing model. Refer to Section 10.4 of the Prospectus for further details of the Advisor Options.

(h) The Offer consists of the issue of 50,000,000 Shares and up to 75,000,000 Shares at an offer price of $0.20 each to raise between $10 million under the Minimum Subscription and up to $15 million under the Maximum Subscription before costs pursuant to the Prospectus.

(i) The payment of a total $100,000 cash bonus payments to Director Pat Volpe and Company Secretary Patrick Volpe ($50,000 to Mr Pat Volpe and $50,000 to Mr Patrick Volpe) upon the Company being admitted to the Official List. Refer to Section 6.7 for further details of the cash bonuses to related parties.

(j) Costs of the Offer are presented on a net of GST recoverable basis and include only those costs estimated to be payable by the Company which may be less than the actual Costs of the Offer. Based on the Minimum Subscription, the costs of the Offer yet to be incurred are estimated to be $1,330,494 net of GST recoverable under the Minimum Subscription. The costs of the Offer (yet to be incurred) not directly attributable to the capital raising are expensed through accumulated losses while the remainder is offset against issued capital. The portion of costs expensed and capitalised based on the Minimum Subscription is $243,786 and $1,086,708 respectively.

(k) Costs of the Offer are presented on a net of GST recoverable basis and include only those costs estimated to be payable by the Company which may be less than the actual Costs of the Offer. Based on the Maximum Subscription, the costs of the Offer yet to be incurred are estimated to be $1,652,303 net of GST recoverable under the Maximum Subscription. The costs of the Offer (yet to be incurred) not directly attributable to the capital raising are expensed through accumulated losses while the remainder is offset against issued capital. The portion of costs expensed and capitalised based on the Maximum Subscription is $230,972 and $1,421,330 respectively.

6.5 Statement of Changes in Cash Flows

Set out below is the Historical consolidated Statement of Cash Flows for the Company for FY23 and HY24.

HISTORICAL CONSOLIDATED STATEMENT OF CASH FLOWS	AUDITED 21 FEB TO 30 JUN 2023 $	REVIEWED 31 DEC 2023 $
Payments to suppliers and employees	–	(548,012)
Interest received	–	8,529
NET CASH USED IN OPERATING ACTIVITIES	**–**	**(539,483)**
Proceeds from issue of equity securities	1	1,280,000
Payments for equity issue costs	–	(84,480)
NET CASH PROVIDED BY FINANCING ACTIVITIES	**1**	**1,195,520**
Cash and cash equivalents at the beginning of the period	–	1
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1**	**656,037**

6.6 Notes to the Financial Statements

The following is a summary of the material accounting policies adopted by the Company in preparation of the Historical and Pro Forma Financial Information. The accounting policies have been consistently applied, unless otherwise stated.

Note 1. Significant Accounting Policies

The Company was incorporated on 21 February 2023. The financial period ended 31 December 2023 is the Company's first half year Financial Report, therefore there are no comparisons for previous years.

New or Amended Accounting Standards and Interpretations Adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the *Corporations Act 2001*. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Except for the statement of cash flows, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern

The Company incurred a loss of $975,204 for the half year ended 31 December 2023, net cash outflows from operating activities of $539,483 and net cash inflows from investing activities of $1,195,520. As at 31 December 2023, the Company had cash and cash equivalents of $656,037, and net working capital of $709,023.

The Company's ability to continue as a going concern is dependent on the success of the Offer. The Directors believe that the entity will continue as a going concern. As a result, the financial information has been prepared on a going concern basis. However, should the Offer be unsuccessful, the entity may not be able to continue as a going concern. The Historical and Pro Forma Financial Information does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

Historical Cost Convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Current and Non-current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Impairment of Non-financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and Other Similar Taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the period as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

New Accounting Standards and Interpretations not yet Mandatory or Early Adopted Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 31 December 2023. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation expenditure

The Company expenses exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until a time where an asset is in development.

Exploration and Evaluation expenditure Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area as well as the determination of the technical feasibility and commercial viability of extracting mineral resource. Exploration and evaluation expenditure are expensed to the profit or loss as incurred except when existence of a commercially viable mineral reserves has been established and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure.

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. Exploration and evaluation costs, including the costs of acquiring licences, are expensed as incurred.

The tables and notes below set out the pro forma adjustments that have been made to the Historical Financial Information in order to prepare the Pro Forma Historical Financial Information. These adjustments reflect the events and assumptions disclosed in the notes to the tables including the proceeds of the Offer and the impact of the capital structure that will be in place following Completion of the Offer as if they had occurred or were in place as at 31 December 2023.

Note 3. Cash and Cash Equivalents

Company will raise capital with part proceeds used to pay for the costs of the Offer as set out in the table below.

	REVIEWED 31 DEC 2023 $	SUBSEQUENT EVENT ADJUSTMENTS TO 31 MAR 2024 $	PRO FORMA BALANCE AFTER OFFER – MIN $	PRO FORMA BALANCE AFTER OFFER – MAX $
Reviewed balance of Axel REE at 31 December 2023	**656,037**	**656,037**	**656,037**	**656,037**
Subsequent event adjustments:				
General operations and working capital		(31,737)		
Costs of the Offer paid (net of GST recoverable)[1]		(78,090)		
Asset Sale Agreement consideration paid in cash		(9,432)		
		(119,260)		
Pro forma adjustments:				
Issue of Shares under the Offer			10,000,000	15,000,000
Bonus cash payments to Director and Company Secretary			(100,000)	(100,000)
Costs of the Offer (net of GST recoverable and excluding the Lead Manager Options)			(945,493)	(1,267,303)
			8,954,507	**13,632,697**
Total Cash and Cash Equivalents	**656,037**	**(119,260)**	**9,491,284**	**14,169,474**

Note:

1. Subsequent event adjustment to Costs of Offer paid (net of GST recoverable) assuming maximum subscription.

Note 4. Trade and Other Receivables

	REVIEWED 31 DEC 2023 $	SUBSEQUENT EVENT ADJUSTMENTS TO 31 MAR 2024 $	PRO FORMA BALANCE AFTER OFFER – MIN $	PRO FORMA BALANCE AFTER OFFER – MAX $
Reviewed balance of Axel REE at 31 December 2023	**193,517**	**193,517**	**193,517**	**193,517**
Subsequent event adjustments:				
General operations and working capital		(21,272)		
Conversion of Convertible Note allocated to Foxfire Metals Pty Ltd debtor[1]		12,000		
		(9,272)		
Pro forma adjustments:				
Total Trade and Other Receivables	**193,517**	**(9,272)**	**184,245**	**184,245**

Note:

1. Refer Sections 6.7 and 9.2 for further information.

Note 5. Trade and Other Payables

	REVIEWED 31 DEC 2023 $	SUBSEQUENT EVENT ADJUSTMENTS TO 31 MAR 2024 $	PRO FORMA BALANCE AFTER OFFER – MIN $	PRO FORMA BALANCE AFTER OFFER – MAX $
Reviewed balance of Axel REE at 31 December 2023	**140,532**	**140,532**	**140,532**	**140,532**
Subsequent event adjustments:				
General operations and working capital		4,202		
Asset Sale Agreement Consideration to Foxfire Metals Pty Ltd[1]		133,129		
Accrued Directors' Fees		80,452		
		217,783		
Pro forma adjustments:				
Total Trade and Other Payables	**140,532**	**217,783**	**358,315**	**358,315**

Note:

1. $133,129 to be paid to Foxfire Metals Pty Ltd via the issue of 832,059 ordinary fully paid shares at approximately six months after the date of admission to the Official List. Refer Section 6.7 and Section 9.2 for further information.

Note 6. Issued Capital

Ordinary fully paid shares

ORDINARY FULLY PAID SHARES	NUMBER OF SHARES – MIN NO.	SHARE CAPITAL – MIN $	NUMBER OF SHARES – MAX NO.	SHARE CAPITAL – MAX $
Reviewed balance of Axel REE at 31 December 2023	**99,835,612**	**499,026**	**99,835,612**	**499,026**
Subsequent event adjustments:				
Conversion of Class B shares to ordinary shares	8,000,000	1,203,200	8,000,000	1,203,200
Conversion of Convertible Note	200,000	12,000	200,000	12,000
Costs of the Offer incurred to 31 March 2024 (net of GST recoverable)[1]		28,607		28,607
Pro forma adjustments:				
Issue of Shares under the Offer	50,000,000	10,000,000	75,000,000	15,000,000
Costs of the Offer (net of GST recoverable)	–	(1,086,706)	–	(1,421,330)
Total Issued Capital	**158,035,612**	**10,656,127**	**183,035,612**	**15,321,503**

Note:

1. Costs of the Offer comprises ($32,017) incurred to 31 March 2024 and $60,265 representing a re-allocation of Offer costs as at 31 December 2023 from Issued Capital to Retained Earnings.

Class B non-voting shares

CLASS B NON-VOTING SHARES	NUMBER OF CLASS B SHARES – MIN NO.	SHARE CAPITAL – MIN $	NUMBER OF CLASS B SHARES – MAX NO.	SHARE CAPITAL – MAX $
Reviewed balance of Axel REE at 31 December 2023	**8,000,000**	**1,203,200**	**8,000,000**	**1,203,200**
Subsequent event adjustments:				
Conversion of Class B shares to ordinary shares	(8,000,000)	(1,203,200)	(8,000,000)	(1,203,200)
Pro forma adjustments:				
Total Issued Capital – Class B shares	–	–	–	–

Class B shares do not entitle the holder to vote at any general meeting of the Company or at any meeting of holders of ordinary shares, or to participate in dividends. Class B shares entitle the holder to receive, in priority to holders of ordinary shares, the repayment of capital paid up on their Class B shares.

Note 7. Reserves

	REVIEWED 31 DEC 2023 $	SUBSEQUENT EVENT ADJUSTMENTS TO 31 MAR 2024 $	PRO FORMA BALANCE AFTER OFFER – MIN $	PRO FORMA BALANCE AFTER OFFER – MAX $
Reviewed balance of Axel REE at 31 December 2023	–	–	–	–
Subsequent event adjustments:				
Pro forma adjustments:				
Advisor Options			795,000	795,000
Officer Options			278,250	278,250
Directors Performance Rights			628,500	628,500
Total Reserves			**1,701,750**	**1,701,750**

6. Financial Information continued

Set out below are the key inputs and terms used in the valuation of Options:

	ADVISOR OPTIONS TO LEAD MANAGER	ADVISOR OPTIONS TO PAMPLONA	CLASS A OFFICER OPTIONS	CLASS B OFFICER OPTIONS
Number of Options	5,000,000	5,000,000	1,750,000	1,750,000
Underlying share price	$0.20	$0.20	$0.20	$0.20
Exercise price	$0.37	$0.30	$0.30	$0.37
Expected volatility	100%	100%	100%	100%
Life of Options (years)	3	3	3	3
Expected dividend	Nil	Nil	Nil	Nil
Early exercise multiple	2.0	2.0	2.0	2.0
Risk free rate	3.7%	3.7%	3.7%	3.7%
Value per Option	$0.077	$0.082	$0.082	$0.077
Value per tranche	$385,000	$410,000	$143,500	$134,750

Set out below are the key inputs and terms used in the valuation of Performance Rights:

	CLASS B	CLASS C
Number of Performance Rights	1,500,000	1,500,000
Underlying share price	$0.20	$0.20
Exercise price	–	–
Expected volatility	100%	100%
Issue Date	17 April 2024	17 April 2024
Life of Performance Right (years)	2	2
Expected dividend	Nil	Nil
Risk free rate	3.7%	3.7%
Fair Value	$0.147	$0.108
Value per tranche	$220,500	$162,000

Performance Rights Classes A, D & E comprise non-market based vesting conditions (ASX approval, drill meters, inferred resource grade) and fair values were deemed based on the following:

(a) Class A Performance Rights were deemed a fair value of the IPO price ($0.20) following an assessment of the likelihood of success, representing a tranche value of $150,000.

(b) Class D and Class E Performance Rights were each deemed a fair value of $0.04 based on the achievability of the performance milestones being contingent on exploration activities post successful listing. The Directors have applied a probability of 20% of meeting these milestones as at the date of this Prospectus. On this basis Class D and Class E Performance Rights were attributed the fair value representing 20% of the IPO price and tranche values of $36,000 and $60,000 respectively.

The Performance Rights milestones are set out below. Refer Section 10.5 of the Prospectus for further information on the Performance Rights.

CLASS	PAUL DICKSON	FERNANDO TALLARICO	IAN KIERS	PERFORMANCE MILESTONE
A	250,000	250,000	250,000	The satisfaction of each of the following: (a) receipt of conditional listing approval from ASX, on terms satisfactory to the Company; and (b) the holder remaining a director of the Company for a period of 12 months post-Listing.
B	500,000	500,000	500,000	The satisfaction of each of the following: (a) 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 the Offer price; and (b) the holder remaining a director of the Company for a period of 24 months post-Listing.
C	500,000	500,000	500,000	The satisfaction of each of the following: (a) the Company's 20-day VWAP reaching 250% higher than the Offer share price; and (b) the holder remaining a director of the Company for a period of 24 months post-Listing.
D	300,000	300,000	300,000	On the Company completing 20,000m of auger drilling on a project area prospective for REE, 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	500,000	500,000	500,000	On the Company announcing to ASX a 10Mt Inferred Resource at a minimum grade of 1,000ppm TREO for a REE Project (as verified by a Competent Person).

Note 8. Retained Earnings

	REVIEWED 31 DEC 2023 $	SUBSEQUENT EVENT ADJUSTMENTS TO 31 MAR 2024 $	PRO FORMA BALANCE AFTER OFFER – MIN $	PRO FORMA BALANCE AFTER OFFER – MAX $
Reviewed balance of Axel REE at 31 December 2023	**(993,205)**	**(993,205)**	**(993,205)**	**(993,205)**
Subsequent event adjustments:				
General operations and working capital		(137,664)		
Asset Sale Agreement consideration		(142,561)		
Costs of the Offer expensed to retained earnings (net of GST recoverable)[1]		(106,697)		
		(386,922)		
Pro forma adjustments:				
Advisor Options to Pamplona			(410,000)	(410,000)
Officer Options			(278,250)	(278,250)
Director Performance Rights			(628,500)	(628,500)
Bonus cash payments to Director and Company Secretary			(100,000)	(100,000)
Costs of the Offer expensed to retained earnings (net of GST recoverable)			(243,786)	(230,972)
			(1,660,536)	**(1,647,722)**
Total Retained Earnings	**(993,205)**	**(386,922)**	**(3,040,663)**	**(3,027,849)**

Note:

1. Subsequent event adjustment to Cost of Offer net of GST recoverable assumes maximum subscription.

6.7 Related Party Disclosures

(a) Asset Sale Agreement

The Company and its wholly owned subsidiary Axel REE Ltda (**Axel Brazil**) entered into an asset sale agreement with Foxfire Metals Pty Ltd (ACN 609 688 824) (**Foxfire Metals**) and its wholly owned subsidiary Foxfire Metals Ltda (**FMB**)(**Asset Sale Agreement**). The material terms and conditions of the Asset Sale Agreement are summarised at Section 9.2).

On 4 March 2023, the Company paid $9,432.41 to Foxfire Metals in cash as part consideration for executing the Asset Sale Agreement.

(b) Foxfire Metals Pty Ltd Convertible Notes

On 26 April 2023, the Company entered into convertible note agreements with Foxfire Metals and two other wholly-owned subsidiaries of Foxfire Metals, pursuant to which Foxfire Metals raised approx. $1,800,000 from sophisticated and professional investors (**Convertible Notes**). Under the terms of the Convertible Notes, one third of the Convertible Notes would convert and the Company would be obligated to issue 10,073,945 ordinary shares at an issue price of $0.06 per Share to Convertible Noteholders on the condition the Company receives in-principal advice that a listing on the ASX would be approved by the ASX (subject to conditions imposed by the ASX) on or before 31 March 2024.

On 15 December 2023 and 21 March 2024, 9,873,945 and 200,000 ordinary shares were issued respectively as a result of early conversion of the Convertible Notes for $592,438 and $12,000 respectively. Pursuant to the Asset Sale Agreement (refer to Section 9.2 of the Prospectus for further information), the Company and Foxfire Metals agreed that 7,004,206 of the Convertible Note conversion shares would be applied to satisfy the Consideration of $420,192.38 for the acquisition of the Projects, and Foxfire Metals shall be indebted to the Company in the amount of up to $184,245.62 which shall be repaid on the Loan terms set out in Section 9.2 of the Prospectus.

On 10 January 2024, the Company re-imbursed Foxfire Metals a sum of $24,066.38 representing the Company's proportion of interest payable to the Convertible Noteholders.

Foxfire Metals is a related party to the Company as Mr Pat Volpe and Mr Patrick Volpe are substantial shareholders and directors of Foxfire Metals.

(c) Bonus cash payments to Mr Pat Volpe and Mr Patrick Volpe

The Company has agreed that Mr Pat Volpe (Non-Executive Director) and Mr Patrick Volpe (Company Secretary) will each receive a cash bonus payment of $50,000 payable on the performance condition of the Company being admitted to the Official List of the ASX.

Mr Pat Volpe and Mr Patrick Volpe are related parties to the Company as Mr Pat Volpe is a Director of the Company and Mr Patrick Volpe is company secretary/key management personnel.

(d) Corporate Services Fees

Mr Patrick Volpe, company secretary, was paid corporate services fees totalling $18,000 for the period 1 January 2024 to 31 March 2024 via Archikan Holdings Pty Ltd <JAP Trust>, an entity which Patrick Volpe is a director, shareholder and beneficial owner.

Further details on transactions with Related Parties and Directors are disclosed in the Prospectus. Please see Section 9 for further information.

6.8 Commitments and Contingencies

At the date of this Prospectus no material commitments, contingent assets or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus and other than a sum of $133,129.38 payable to Foxfire Metals Pty Ltd by way of an issue of 832,059 ordinary fully paid shares in the Company approximately six months after the date of admission to the Official List (**Foxfire Consideration Shares**). Refer to Section 9.2 of the Prospectus for further details regarding the Asset Sale Agreement.

SECTION 7

Risk Factors

7. Risk Factors

7.1 Introduction

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

The future performance of the Company and the value of the Shares 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 that have a direct influence on the Company, and its Projects and activities are set out in Section 3. Those key risks as well as other 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 7, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 7 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 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.

7.2 Company specific risks

RISK CATEGORY	RISK
Limited history	The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty. The Company was only recently incorporated on 21 February 2023 and has only limited operating history and limited historical financial performance. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Projects. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.
Transfer of legal title and tenure of applications	Pursuant to the Asset Sale Agreement, Axel Brazil has entered into an agreement to acquire the Tenements (with the exception of the REE Tenements, in respect of which the Company has agreed to acquire a beneficial interest in the mineral rights (other than lithium) in the REE Tenements). The Company has lodged the relevant documentation to affect the transfer of the Axel Tenements and anticipates that the registration of the transfers will be completed imminently. Whilst every effort will be made by the Company to ensure the legal interest in the Axel Tenements is transferred, the approval of the registration of the legal transfer of the Axel Tenements is beyond the control of the Company. Further information in relation to the Asset Sale Agreement is set out in Section 9.2. Investors should be aware that in the event that the transfers are not registered/affected, Foxfire will hold the Tenements on trust for the Company and the parties will continue to use their best endeavours to have the transfers registered. In these circumstances, the Company will not hold the legal title to the Tenements until such time as the transfers are registered.

7. Risk Factors continued

RISK CATEGORY	RISK
Coexistence	Pursuant to the Asset Sale Agreement, Axel Brazil has agreed to acquire certain mineral rights in respect of the REE Tenements. The Company does not have a right to become the registered holder of the REE Licences. The contractual provisions surrounding the interaction of the Company and the registered holder of the REE Tenements are outlined in the Asset Sale Agreement. In order for the Company to be able to achieve its objectives, the Company is reliant on the registered holder of the REE Tenements complying with its contractual obligations under the Asset Sale Agreement including in respect of maintaining the REE Tenements in full force and effect, free from any liability to forfeiture or non-renewal. If the registered holder of the REE Tenements fails to comply with conditions of the REE Tenements which results in loss of title to the REE Tenements, the Company would lose its interest in the minerals rights being acquired pursuant to the Asset Sale Agreement. It may then be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms. See Section 9.2. for further details.
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.
Control risk	Following completion of the Offers, Mr Pat Volpe will hold 39.17% of the undiluted issued capital of the Company (assuming the Minimum Subscription is achieved). Following the issue of Foxfire Consideration Shares and in accordance with section 608(3) of the Corporations Act, Mr Pat Volpe will be deemed to have a relevant interest in an additional 832,059 Shares which are to be issued to Foxfire Metals as consideration under the Asset Sale Agreement by virtue of his substantial shareholding in Foxfire Metals. Following issue of the Foxfire Consideration Shares, Mr Pat Volpe will increase his voting power to 39.67% of the undiluted issued capital of the Company (assuming no other Shares are issued from completion of the Offers and the issue of the Foxfire Consideration Shares and the Minimum Subscription is achieved). As outlined in Section 5.8, Mr Pat Volpe is a substantial shareholder of the Company and may rely on the 3% creep exception provided in Item 9 of Section 611 of the Corporations Act. Accordingly, Mr Pat Volpe will have the capacity to influence the election of Directors and the potential to influence the outcome of matters submitted to a vote of Shareholders. The interests of Mr Pat Volpe may differ from the interests of other Shareholders who purchase Shares under the Offer. Further details in respect of Mr Pat Volpe's interest are set out in Section 8.4. As Mr Volpe holds a relevant interest in more than 25% of the Company, he will have the ability to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class. Mr Volpe will not participate in the Offer under the Prospectus.

RISK CATEGORY	RISK
In-Country Director and Officer Risk	As noted in the Solicitor's Tenement Report, the sole shareholder of Axel Brazil is the Company. Axel Brazil does not have a board of directors or an audit committee. The Managing Director of the Company Mr Fernando Tallarico is currently designated as the administrator of Axel Brazil. As administrator, Mr Tallarico has the power to act independently to represent the Company. The Company has the power to change or add the appointment of the administrator should the circumstances arise. There is a risk that Mr Tallarico, or any other person appointed as administrator of Axel Brazil may not act in the best interests of the Company. To assist with alleviating such risks, the Company has adopted a delegation of authority policy which records the authority which the board reserves and which it delegates to management. The policy sets out that Mr Tallarico is not authorised to approve any expenses in excess of $1,000 per month without endorsement from an Australian-based Director. In addition, the Company also has in place a dual authority on all bank accounts which limit the risk of loss. As administrator, Mr Tallarico operates under a power of attorney which sets out limitations on his power. Based on the practices implemented, the Board considers the risk to be minimal and, as with other risks, will continue to monitor its internal management systems and operations to minimise any such risks.
Sovereign Risk	The Company holds interests in the Projects which are located in Brazil. There are numerous risk factors associated with operating in foreign jurisdictions, such as Brazil. Possible sovereign risks associated with operating in Brazil include, economic, social or political instability or change, hyperinflation, changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. Any future material adverse changes in government policies or legislation in Brazil that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company. Further, 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. The Company has made investment and strategic decisions based on information currently available to the Board. Should there be any material change in the political, economic, legal and social environments in Brazil, or South America generally, the Company may reassess investment decisions and commitments to assets in Brazil and the region. No assurance can be given regarding future stability in Brazil or any other country in which the Company may, in the future, have an interest.

7. Risk Factors continued

RISK CATEGORY	RISK
Exploration and operations	The mineral exploration permits comprising the Projects are at various stages of exploration, and prospective investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that future exploration of these exploration permits, 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, 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 permits forming the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programs 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 forming the Projects. The exploration costs of the Company described in the Independent Geologist's Report in Annexure A 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 uncertainties and, accordingly, the actual costs may materially differ from these 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 affect the Company's viability. 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 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.

RISK CATEGORY	RISK
Access and third-party interests	There is a substantial level of regulation and restriction on the ability of exploration and mining companies have access to land in Brazil. A number of the 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. As noted in the Solicitor's Tenement Report: (a) tenements 830466/2023, 831092/2023, 831.515/2020, 820286/2023, 820287/2023, 830451/2023 and 831458/2020 overlap with conservation unit areas and tenement 830451/2023 overlaps with a conservation buffer zones (refer to Parts IV.1.1 and IV1.1.2 of the Solicitor's Tenement Report for further details); (b) tenement 830890/2023 overlaps with an area regulated by the Brazilian agency that holds the authority for planning, guidance, supervision, and regulation of nuclear energy in Brazil (refer to Part IV.4 of the Solicitor's Tenement Report for further details); (c) tenement 830082/2023 overlaps with a private natural heritage reserve (refer to Part IV.5 of the Solicitor's Tenement Report for further details); (d) tenements 830083/2023 and 830084/2023 overlap the operational area of a hydroelectric plant (refer to Part IV.6 of the Solicitor's Tenement Report for further details); and (e) tenement 830453/2023 overlaps a subterranean cavity (refer to Part IV.7 of the Solicitor's Tenement Report for further details). The Company has considered each of the overlaps noted above, together with the other overlaps included in Part IV1 of the Solicitor's Tenement Report and has confirmed that these overlaps will not impact the Company's ability to complete the exploration program outlined in Sections 5.5. The Company's interests in the REE Tenements are subject to third party interests. Refer to Part VII of the Solicitor's tenement Report for further details. Please refer to the Solicitor's Tenement Report in Annexure B for further details.
Applications	The Tenements are at various stages of application and grant. Specifically, eleven Tenements (ten Axel Tenements and one REE Tenement) are currently under application, including some with competing applications from third parties. Specifically, a considerable proportion of exploration permit applications 830881/2023, 830883/2023 and 830885/2023 overlap existing exploration and mining claims, which may result in a reduction in the granted exploration permits. Further information is set out in Parts IV.1.10.3 to IV.1.10.5 of the Solicitor's Tenement Report for further information. Exploration permit applications 832092/2023 and 832093/2023 were rejected by the ANM on the basis that these exploration permit applications completely overlapped third party tenements (including other exploration permits held by or exploration permit applications filed by Foxfire). In November 2023, Foxfire Metals applied for new exploration applications, 833341/2023 and 833340/2023, for the areas where the initial tenements were denied. There is a risk that these new exploration applications will not be granted. There can be no assurance that any exploration permit applications will be granted or, if granted, will be granted in their entirety.

7. Risk Factors continued

RISK CATEGORY	RISK
Applications continued	Other than exploration permit applications 833341/2023 and 833340/2023, the Company is unaware of any circumstances that would prevent the Tenements in application status from being granted, other than the competing applications. If any of the Tenements in application status are not granted or are only granted for part of the area applied for, the Company will lose the benefit of certain areas of those Tenements for its exploration activities. Please refer to the Solicitor's Tenement Report in Annexure B for further information on the Company's Tenement applications.
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. As noted in Part IV.1.10.2 of the Solicitor's Tenement Report, failure to satisfy these conditions may result in the imposition of fees or forfeiture of the Tenements. On 3 June 2024, ANM imposed a fine of approximately $316, which was paid by the Company, for failure to report the commencement of exploration activities on exploration permit 830464/2023 by the prescribed date. 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.
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. Please refer to the Solicitor's Tenement Report in Annexure B for further details.

RISK CATEGORY	RISK
Climate	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 business viability. 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 the Company operates.
Contractual	The Company's interest in the REE Tenements is subject to a contract with Foxfire Metals Brazil and Foxfire Metals under the Asset Sale Agreement and other third-party interests. The ability of the Company to achieve its stated objectives for the REE Tenements will depend on the performance by the parties of their obligations under the agreement. If the Company is unable to satisfy its undertakings under these agreements the Company's interest in their subject matter may be jeopardised. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly. See Section 9.2 and Part VII of the Solicitor's tenement Report for further details.
Related party	The Company has several key contractual relationships with related parties, outlined in Section F of the Investment Overview and Section 8.6. Such relationships, together with new relationships which may formed with related parties will be necessary for the ongoing operations of the Company. With respect to these persons and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of: (a) financial failure or default by a participant in any agreement to which the Company may become a party; and/or (b) insolvency, default on performance or delivery by any operators, contractors or service providers. There is also a risk that where the Company has engaged a contractor who is a related party, the contract between the contractor and the Company may terminate for reasons outside of the control of the Company. This may then result in the termination of the contract between the Company and the contractor and impact the Company's position, performance and reputation.

7. Risk Factors continued

RISK CATEGORY	RISK
Conflict of interest or duty	Some of the Directors and officers of the Company are engaged as directors or officers of, or have equity interests in, other companies with whom the Company has contractual arrangements, and situations may arise where the duties or interests of those Directors or officers will be in direct competition with the Company and could result in conflicts of interest or duty. Conflicts, if any, will be dealt with in accordance with the Company's Code of Conduct and relevant provisions of the Corporations Act. Any decision taken by these Directors and officers and involving the Company will be in conformity with their duties and obligations to act in the best interests of all of the Company's stakeholders. Moreover, these Directors and officers will declare their interests and will abstain from voting on (and from attending discussions regarding) any question which could give rise to a conflict of interest or duty. Some of the Directors and officers of the Company may become, in the future, directors or officers of additional companies engaged in the same or other business ventures. Please refer to Section F of the Investment Overview and Section 8.6 for further details on related party interests.
Unforeseen expenses	While the Company is not aware of any expenses that may need to be incurred immediately after Admission that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

7.3 Industry specific risks

RISK CATEGORY	RISK
Exploration costs	The exploration costs of the Company as summarised in Section 5.5 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.
Resource and reserves	The Company does not presently have any JORC Code compliant resources on the Tenements. Whilst the Company intends to undertake additional exploration works with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource. 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.
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.

RISK CATEGORY	RISK
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, licenses 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.
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.
Environmental	The operations and proposed activities of the Company are subject to relevant local laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.

RISK CATEGORY	RISK
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 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.

7.4 General risks

RISK CATEGORY	RISK
Future funding requirements and the ability to access debt and equity markets	The funds raised under the Offer are considered sufficient to meet the exploration and evaluation objectives of the Company. Additional funding may be required in the event exploration costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required. In addition, should the Company consider that its exploration results justify commencement of production on any of its Projects, additional funding will be required to implement the Company's development plans, the quantum of which remain unknown at the date of this Prospectus. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

RISK CATEGORY	RISK
Reliance on 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.
COVID-19	The outbreak of the coronavirus disease (**COVID-19**) may continue to impact global economic markets. While COVID-19 is not currently materially affecting the Company's operations, with the potential for further outbreaks and new strains of the virus, the ongoing nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by further outbreaks and new strains of COVID-19. Further, any new governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.
Competition	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.
Currently no market	There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer. The price at which the Company's Shares trade on ASX after listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors. There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

7. Risk Factors continued

RISK CATEGORY	RISK
Market conditions	Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) global health epidemics or pandemics; (e) currency fluctuations; (f) changes in investor sentiment toward particular market sectors; (g) the demand for, and supply of, capital; (h) political tensions; and (i) terrorism or other hostilities. The market price of Shares 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. Potential investors should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance. In addition, 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. Please refer to Section 5.9 for further details on the Shares likely to be classified by the ASX as restricted securities.
Commodity price volatility and exchange rate	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.

RISK CATEGORY	RISK
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 intends to insure 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.
Force Majeure	The Company's Projects or projects acquired 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.
Dilution	In the future, the Company may elect to issue Shares or engage in capital raisings to fund operations and growth, for investments or acquisitions that the Company may decide to undertake, to repay debt or for any other reason the Board may determine at the relevant time. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period (other than where exceptions apply), Shareholder interests may be diluted as a result of such issues of Shares or other securities.
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 advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

RISK CATEGORY	RISK
Trading and liquidity in shares and escrowed Shareholders' interests	In accordance with the escrow requirements in Chapter 9 of the ASX Listing Rules, upon Official Quotation various Shares will not be able to be traded for certain periods, as estimated in Section 5.9 (although none of the Shares issued pursuant to the Offer will be subject to those ASX imposed escrow restrictions). Given the number of Shares anticipated to be restricted from trading, only a fraction of the Shares on issue at completion of the Offer (including (among others) the Shares to be issued under the Offer) will be available to be traded until such time as applicable escrow periods end. As at the date of this Prospectus, ASX has not made a decision regarding the escrow to be applied to Shares and, as such, the numbers of Shares that will be subject to escrow, and the escrow periods they are subject to, may change from the estimates in Section 5.9. The significant proportion of Shares that will likely be subject to escrow following completion of the Offer will reduce liquidity in the market for the Company's Shares and may affect the ability of a Shareholder to sell some or all of its Shares due to the effect less liquidity may have on demand. An illiquid market for the Company's Shares may have an adverse impact on the Share price. Following release from escrow, Shares held by escrowed Shareholders may be freely traded on the ASX. There is a risk that a significant sale of Shares by one or more escrowed Shareholders, or the perception that such a sale has occurred or might occur, could adversely affect the market value of the Shares.
Litigation	The Company is exposed to possible litigation risks including tenure disputes, environmental claims, 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, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.
Economic conditions 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.

7.5 Investment speculative

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 Shares.

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

The Shares offered under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on the ASX.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

SECTION 8

Board and Key Management, Corporate Governance and ESG

8. Board and Key Management, Corporate Governance and ESG

8.1 Board of Directors

The Board of the Company consists of:

Paul Dickson (B.Ed. SF Fin Grad Dip TA)

Non-Executive Chairman

Paul Dickson has over 35 years of experience in the finance services industry. He has worked with a number of stock broking firms including Ord Minett Ltd and Colonial Stock-broking Limited and more recently has been a director of a number of corporate advisory boutiques. Paul is currently independent non-executive chair of Alligator Energy Ltd (ASX:AGE) and was appointed non-executive chair in 2018, where he oversaw the development of the Samphire Uranium Project's Blackbush Deposit and has progressed to scoping study.

Paul is also a director of Cobold Metals Limited, an unlisted public company focussed on cobalt exploration opportunities. He was a founder/director of Paradigm Capital Pty Ltd and DDM Capital Pty Ltd, which provided a range of services including capital raising and general corporate advice for small-cap companies and Proserpine Capital Partners Pty Ltd, a private equity business based in Melbourne. Paul currently consults to the equity markets area for Henslow Pty Ltd.

Mr Dickson was director of Meredith (Australia) Pty Ltd (Meredith) at the time liquidators were appointed on 4 May 2016. Mr Dickson resigned as director of Meredith on 6 October 2020.

The Board considers that Mr Dickson is an independent Director.

Dr Fernando Tallarico (B.Sc. Geology, M.Sc., Ph.D. and P.Geo.)

Managing Director

Fernando Tallarico is a resident of Brazil and a geologist with over 30 years international experience, who has been responsible for grass roots discoveries for Vale, Falconbridge/Noranda and BHP in Brazil. Fernando was CEO/Managing Director of Aguia Resources Limited (ASX:AGR) from 2019 to 2023 following his role of Technical Director from 2010 to 2019 and was instrumental in assembling the Aguia phosphate and copper portfolio, that resulted in greenfield discoveries in Southern Brazil. Fernando has also held positions as Technical Director at Forbes & Manhattan Brazil, Project Manager at BHP Billiton, Senior Geologist at Falconbridge and Vale, leading world-class discoveries in potash, diamonds, nickel laterite and PGE respectively.

The Board considers that Dr Tallarico is not an independent Director.

Pat Volpe (CPA, Post Grad Taxation)

Non-Executive Director

Pat is the Founder of the Company and has over 35 years' experience in minerals and metals exploration globally, including spending the previous 10 years developing strong relationships in Brazil where he accumulated the Company's portfolio across four states. Pat has intimate knowledge of Brazil's Mining laws and regulations and brings his strong relationships with local explorers and governments to the Company.

Pat was the founding director of A-Cap Resources Limited (acquired by Lotus Resources Limited ASX:LOT), who led the discovery and development of what is now known as one of the top 10 largest undeveloped uranium deposits in the world. Pat was the executive chairman of Botswana Metals Limited (renamed SI6 Metals Ltd, ASX:SI6), which made base and precious metals discoveries (nickel, copper and PGE's) in north-eastern Botswana and attracted a joint venture with Botswana's largest miner and smelting operation – BCL Limited, which is government owned. Pat also chairs a private venture which has made the first graphite discovery in Botswana. He was also the founder and chairman of ASX-listed Cardia Bioplastics Limited (renamed Secos Limited, ASX:SES).

The Board considers that Mr Volpe is not an independent Director.

Ian Kiers (LB, BComm)

Non-Executive Director

Ian Kiers is an experienced private equity and mergers and acquisition specialist. He is currently Non-Executive Chairman of SI6 Metals Ltd (ASX:SI6) and has been the Chief Executive Officer of a private family office (GBM Group) for 19 years having previously held positions as Head of Mergers and Acquisitions and Head of Group Strategy. Prior to GBM Group, he was employed at National Australia Bank Limited in its structured finance and project finance division in Melbourne. While at the NAB he worked on numerous project financings in the resources sector.

Ian holds a Bachelor of Laws and Bachelor of Commerce from Melbourne University and was admitted to the Supreme Court of Victoria as a Barrister and Solicitor in 1989.

The Board considers that Mr Kiers is an independent Director.

The Board has considered the Company's immediate requirements as it transitions to an ASX-listed company and is satisfied that the composition of the Board represents an appropriate range of experience, qualifications and skills at this time.

8.2 Key management

The Company's key management team includes Patrick Volpe, whose profile is set out below:

Patrick Volpe (MB Econ, BCom (Eco, Fin), AGIA, MAICD)

Company Secretary

Patrick is an experienced corporate governance and financial services professional and has provided corporate governance management and company secretary services for private, not-for-profit, unlisted public and ASX-listed entities. He is currently Managing Director of a boutique corporate advisory firm and currently holds directorships and company secretarial positions in a range of ventures in metals and minerals resources exploration including graphite, lithium, gold and base metals, as well as biotech and managed investments.

Patrick has held analytical research and administration positions for several ASX listed companies including but not limited to Cohiba Resources Limited (ASX:CHK), Botswana Metals Limited (renamed to Si6 Metals Limited: ASX:SI6), Cardia Bioplastics Limited (renamed Secos Group Limited, ASX:SES) and Bisan Limited.

Patrick holds a Master of Business Economics from Monash University, Bachelor of Commerce (Majoring in Economics and Finance) from Deakin University, is an Affiliated member of the Governance Institute of Australia and Member of the Australian Institute of Company Directors.

Mr Patrick Volpe is the son of Non-Executive Director Mr Pat Volpe.

The Company is aware of the need to have sufficient management to properly supervise its operations and the Board will continually monitor the management roles in the Company. As the Company's exploration and development activities and overall operations require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate. The Company intends to utilise the services of experts and consultants for technical input, including to assist formulate overall exploration strategy and direction, and reporting in compliance with ASX and JORC standards.

8. Board and Key Management, Corporate Governance and ESG continued

8.3 Directors' Disclosures

No Director has been the subject of (or was a director of a company that has been subject to) any legal or disciplinary action in Australia or elsewhere in the last ten years which is relevant or material to the performance of their role with the Company or which is relevant to an investor's decision as to whether to subscribe for Shares under the Offer.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12-month period after they ceased to be an officer.

8.4 Directors' Remuneration and interests in Securities

Remuneration

As the Company was incorporated on 21 February 2023, the Directors did not receive any remuneration for the financial year ended June 2023. The Directors will receive remuneration for the current financial year as set out in the table below.

DIRECTOR	REMUNERATION FOR THE YEAR ENDED 30 JUNE 2023[1]	REMUNERATION FOR THE YEAR ENDING 30 JUNE 2024	PROPOSED ANNUAL REMUNERATION[2]
Paul Dickson[3]	–	$28,849	$90,000
Fernando Tallarico[4]	–	$112,069	$372,000
Pat Volpe[5]	–	$80,000	$80,000
Ian Kiers[6]	–	$47,014	$80,000

Notes:

1. The Company was incorporated on 21 February 2023 and no Directors' fees were accrued or paid in the period to 30 June 2023.
2. Excludes GST and/or superannuation (as applicable).
3. Paul Dickson was appointed on 6 March 2024.
4. Fernando Tallarico was appointed on 15 February 2024.
5. Pat Volpe will be entitled to a performance bonus cash payment of $50,000 upon the Company being admitted to the Official List.
6. Ian Kiers was appointed on 18 December 2023.

The Directors (other than Fernando Tallarico, whom has agreed to accrue 50% of his directors' fees) have agreed to accrue all directors' fees from the date of their respective appointments until the Company is admitted to the Official List. Following Admission, all accrued director's fees will be paid to the Directors.

Interests in Securities

As at the date of this Prospectus

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The Directors have the following relevant interests in securities following completion of the Offer:

DIRECTOR	SHARES	OPTIONS	PERFORMANCE RIGHTS	PERCENTAGE (%)			
				MINIMUM SUBSCRIPTION		MAXIMUM SUBSCRIPTION	
				UNDILUTED	FULLY DILUTED	UNDILUTED	FULLY DILUTED
Paul Dickson[1]	–	–	2,050,000	–	1.15%	–	1.01%
Fernando Tallarico[2]	–	–	2,050,000	–	1.15%	–	1.01%
Pat Volpe[3]	61,900,001	2,000,000	–	39.17%	35.96%	33.82%	31.53%
Ian Kiers[4]	1,388,888	–	2,050,000	0.88%	1.94%	0.76%	1.70%

Notes:

1. 2,050,000 Performance Rights held by Ricketts Point Investments Pty Ltd as trustee for Dickson Family Fund (in respect of which Mr Paul Dickson is a director and beneficial holder).
2. 2,050,000 Performance Rights held by Dr Fernando Tallarico.
3. Comprising:
   (a) 1 Share held by Foxfire Metals (in respect of which Mr Pat Volpe is a director and substantial shareholder);
   (b) 29,500,000 Shares and 2,000,000 Options held by Dimensional Holdings Pty Ltd (in respect of which Mr Pat Volpe is sole director);
   (c) 27,400,000 Shares held by CAP Holdings Pty Ltd as trustee for CAP Trust (in respect of which Mr Pat Volpe is a director and beneficial owner); and
   (d) 5,000,000 Shares held by Growthtech International Pty Ltd (in respect of which Mr Pat Volpe via his associated entities is a substantial shareholder).

   Following the issue of the Foxfire Consideration Shares to Foxfire Metals approximately 6 months after the date of admission of the Company to the Official List, Mr Volpe (and his associates) will have a relevant interest in an additional 832,059 Shares. Refer to Section 9.2 for further information.

   In addition, Patrick Volpe (whom is the son of Mr Pat Volpe) holds 1,500,000 Options held by Archikan Holdings Pty Ltd as trustee for JAP Trust (in respect of which Mr Patrick Volpe is a director and beneficial owner). Patrick Volpe is not considered to be an associate of Pat Volpe.
4. Comprising:
   (a) 833,333 Shares held by Halcyon One Pty Ltd as trustee for Halcyon One Superfund (in respect of which Mr Ian Kiers is a director and beneficial owner);
   (b) 555,555 Shares held by Halcyon One Pty Ltd (in respect of which Mr Ian Kiers is a director); and
   (c) 2,050,000 Performance Rights held by Halcyon Consulting Pty Ltd as trustee for Halcyon Consulting Trust (in respect of which Mr Ian Kiers is a director and beneficial owner).

The Directors (other than Mr Pat Volpe) reserve the right to participate in the Offer and the Company will disclose the final Director holdings to the market following Admission.

As at the date of this Prospectus, Mr Paul Dickson, Non-Executive Chairman, has advised that he intends to participate in the Offer and subscribe for up to 250,000 Shares.

The Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is $500,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive Director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee. In addition, the Directors (and their associates) may apply for Shares under the Offer. If one or more of the Directors (or their spouses or associates) do apply for, and are allocated, Shares under the Offer, the figures in the above table will be affected.

The Company will notify ASX of the Directors' interests in the Securities of the Company at the time of Admission in accordance with the ASX Listing Rules.

8. Board and Key Management, Corporate Governance and ESG continued

8.5 Performance-Based Remuneration

The Board has considered *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**) in relation to issuing the Performance Rights (being, performance-based remuneration) to independent directors Mr Dickson and Mr Kiers.

The Board does not consider that Mr Dickson and Mr Kiers receipt of performance-based remuneration will impact on their ability to hold positions as independent directors. The performance-based remuneration was negotiated and forms part of their respective remuneration packages.

The Board considered the materiality of the performance-based remuneration and quantum of Performance Rights and determined that the performance-based remuneration would not reasonably interfere with Mr Dickson and Mr Kier's capacity to bring an independent judgment on issues before the Board and to act in the best interests of the Company and Shareholders.

8.6 Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

(a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

(b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Sections 9.2 and 9.4.

8.7 Corporate governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the Recommendations.

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.axelreelimited.com.au.

(a) Board of Directors

The Board is responsible for corporate governance of the Company.

The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

(i) maintain and increase Shareholder value;

(ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and

(iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

(i) leading and setting the strategic direction, values and objectives of the Company;

(ii) appointing the Chair of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;

(iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;

(iv) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;

(v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);

(vi) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;

(vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

(viii) reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters; and

(ix) approving the Company's remuneration framework and ensuring it is aligned with the Company's purpose, values, strategic objectives and risk appetite.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

(i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and

(ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of four Directors (three non-executive Directors and one executive Director) of whom Mr Paul Dickson and Mr Ian Kiers are considered independent. The Board considers the current balance of skills and expertise to be appropriate given the Company's size and its currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

8. Board and Key Management, Corporate Governance and ESG continued

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience.

The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices.

The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

(c) Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business.

Key operational risks and their management will be recurring items for deliberation at Board meetings.

(d) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations.

In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy.

In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct.

The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(e) Independent professional advice

Subject to the Chair's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board 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.

In addition, a Director may be paid fees or other amounts for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(g) Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e., Directors and, if applicable, any employees reporting directly to the managing director).

The policy generally provides that, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

(h) External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

(i) Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

(i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;

(ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;

(iii) monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and

(iv) management of the Company's relationships with external auditors.

(j) Diversity policy

The Company is committed to workplace diversity.

The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(k) Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period.

Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

8. Board and Key Management, Corporate Governance and ESG continued

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out at below.

RECOMMENDATION	EXPLANATION
1.5	Due to the Company's stage of development and number of employees, the Company may face particular issues in relation to setting, reviewing, assessing and reporting on certain diversity measures. Consequently, the Company will not comply with Recommendation 1.5 (diversity) in full.
2.3	The Company has issued performance-based remuneration to two of the independent Directors. The Board does not consider that Directors receiving performance-based remuneration will impact on their ability to hold positions as independent directors. The performance-based remuneration was negotiated and forms part of their respective remuneration packages. With consideration to the materiality of the performance-based remuneration and quantum of performance rights, the Board determined that the performance-based remuneration would not reasonably interfere with the independent Director's capacity to bring an independent judgment on issues before the Board and to act in the best interests of the Company.
2.4	The Company's Board Charter requires that, where practical, the majority of the Board should be independent. The Board currently comprises of a total of four directors of whom two are considered to be independent. As such, independent directors currently do not comprise the majority of the Board.

8.8 Environmental, Social and Governance (ESG)

Underpinning the business model of the Company is a commitment to sustainability through adherence to high standards of Environmental Social Governance (**ESG**). The Company aspires to have industry leading credentials in ESG with a focus on:

(a) Environment – the Company is committed to safeguarding the environment and managing potential impacts on water, land and air quality.

(b) Climate Change – the Company recognises that climate change is a shared global challenge that requires collective action between business, government and society. The Company supports the move to a low emission economy to reduce future climate change impacts and avoid increasing their severity.

(c) Social – strong community relationships are the foundation of our social licence to operate and we aim to make a meaningful contribution to the communities in the regions where our projects are located.

(d) People – we aim to create an inclusive and supportive workplace, where people are empowered and aligned. Our future success and ability to execute our strategic plan depends on attracting and retaining the right people with the right skills.

(e) Governance – we support on-going development of good corporate governance and believe that high standards of governance create a corporate culture that values integrity and ethical behaviour. Strong, effective governance is essential for earning the trust of our stakeholders.

SECTION 9

Material Contracts

9. Material Contracts

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

To fully understand all rights and obligations of a material contract, it is necessary to review it in full and these summaries should be read in this light.

9.1 Lead Manager Mandate

The Company has signed a mandate letter on 29 June 2023 to engage Bell Potter Securities Limited (ACN 006 390 772) (AFSL 243 480) (**Lead Manager** or **Bell Potter**) to act as lead manager of the Offer (**Lead Manager Mandate**). The material terms and conditions are summarised below.

Fees	(a) a management fee of 2% of the gross amount raised under the Offer; (b) a selling fee of 4% of gross amount raised under the Offer; and (c) 5,000,000 unlisted options exercisable at an 85% premium to the securities under the Offer, expiring on or before three years from the date of issue.
Expenses	The Company agrees to reimburse Bell Potter for all reasonable out-of-pocket expenses (including GST) incurred by Bell Potter in connection with the Offer (other than any payments made to another broker appointed by Bell Potter in connection with the Offer), including but not limited to marketing and communication costs, printing, couriers, postage and distribution, roadshow expenses, accommodation and travel.
Termination Events	(a) Either the Company or Bell Potter may terminate the Lead Manager Mandate with or without cause by giving 14 days prior written notice to the other party, at any time. (b) Other than due to termination by the Company for cause due to Bell Potter's fraud, recklessness, wilful misconduct or gross negligence, or where a Trade Sale Fee (defined below) has already been paid to Bell Potter, where the Company terminates the Lead Manager Mandate and subsequently announces the Offer or a similar equity capital raising (**Capital Raising**) within 6 months from the date of termination, the Company must pay Bell Potter within 7 days of the settlement date for that capital raising an amount equal to the fees stated in the Lead Manager Mandate, with the proceeds of that Capital Raising treated as "Proceeds" for the purposes of the calculation. (c) If the Company enters into transaction documentation to effect a sale of all or a majority of the securities in, or all or a majority of the business or business assets of, the Company (**Trade Sale**) and the Offer has not completed, the Company agrees to pay a trade sale fee (**Trade Sale Fee**) to Bell Potter on or before the date the Trade Sale reaches financial close or is otherwise completed. In the event that a Trade Sale is agreed by the Company prior to the Offer being completed, the Company will meet and agree with Bell Potter on appropriate market-standard Trade Sale fee to be paid, both parties acting reasonably. The Company agrees that the Trade Sale Fee represents a genuine and reasonable pre-estimate of the expenses and opportunity cost of Bell Potter if the Offer does not proceed.

Indemnity	The Company has agreed to indemnify the Lead Manager from and against all claims, losses, damages or proceedings that arise out of the Lead Manager Mandate in connection with the Offer and/or services provided by the Lead Manager.
Lock-up and other financing	The Company shall not make any other equity or debt financing of any type without prior written consent of the Lead Manager other than the pre-IPO capital raising of approximately $1 million in June or early July 2023. Prior to completion of the Offer, the Company will not enter into any agreement or commitment which is material in the context of the Company and which contains a substantial or onerous obligation without the prior written consent of the Lead Manager other than certain non-core tenements that are not relevant to the Offer.
Right of First Refusal	(a) The Company agrees to offer Bell Potter the right of first refusal to act as lead manager in any equity capital raising (placement, rights issue and/or security purchase plan) undertaken by the Company within 18 months following completion of the Offer. (b) Any engagement pursuant to subsection (a) will be governed by a separate agreement. (c) The right of first refusal must be accepted by Bell Potter within 7 days of it being advised in writing of the Company's proposed course of action and if not accepted, the Company may appoint a third party as the lead manager.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9. Material Contracts continued

9.2 Asset Sale Agreement

The Company and its wholly owned subsidiary Axel REE Ltda (**Axel Brazil**) has entered into an asset sale agreement with Foxfire Metals Pty Ltd (ACN 609 688 824) (**Foxfire Metals**) and its wholly owned subsidiary Foxfire Metals Ltda (**FMB**) (**Asset Sale Agreement**), the material terms and conditions of which are summarised below:

Acquisition	Axel Brazil acquired, and FMB agreed to sell, assign and transfer: (a) a 100% legal and beneficial interest in: (i) the Tenements; and (ii) the mining information; and (b) a 100% beneficial interest in the mineral rights (other than lithium) in the REE Tenements, free from all encumbrances (the **Axel Interest**) on the terms and conditions set out in this Asset Sale Agreement (**Acquisition**).
Consideration	(a) Subject to the terms and conditions of the Asset Sale Agreement, Axel Brazil agrees to pay FMB an amount of $872,490.28 as total consideration comprising the costs incurred on expenditure on the Licences (**Consideration**), which will be satisfied, subject to settlement occurring, as follows: (i) cash consideration of $319,168.50 (**Cash Consideration**) comprising: (A) $309,736.09 which was paid in cash on 9 November 2023 (**Cash Consideration**); and (B) $9,432.41 which was paid in cash on 4 March 2024; (ii) $420,192.38 has been satisfied by the issue of 7,003,206 as part of an issue of up to 10,073,945 Shares to the holders of convertible notes in Foxfire Metals (the parent company of FMB) for a total sum of up to $604,440 in accordance with the terms and conditions of the convertible note deeds (the parties acknowledge that Foxfire Metals shall be indebted to the Company in the amount of up to $184,247.62 which shall be repaid on the terms set out below (**Loan**)); (iii) if the Company (the parent company of Axel Brazil) is admitted to the Official List of the ASX on or before 30 September 2024 (**End Date**) $133,129.38 will be satisfied through the issue of 832,059 Shares at a deemed issue price of $0.16 per Share (**Consideration Shares**) which will be issued to Foxfire Metals six months after the date of admission of the Company to the Official List; and (iv) if the Company is not admitted to the Official List of the ASX on or before the End Date $133,129.38 will be offset against the Loan. (b) AXEL Brazil will be responsible for any and all costs incurred on or after the date of execution of this Asset Sale Agreement (**Execution Date**) in relation to the Axel Interest.

Loan	(a) The Loan is interest free and unsecured. (b) The Loan must be fully and finally repaid on or before the later of 12 months form the date the Company is admitted to the Official List of the ASX, and 30 June 2026. (c) Foxfire Metals is permitted to repay the Loan in whole or in part at any time, notwithstanding that all obligations of Foxfire Metals to the Company shall continue in full force and effect until all amounts outstanding under the Loan have been repaid. (d) An event of default will occur if, whether or not it is within the control of Foxfire Metals: (i) (**failure to pay**): Foxfire Metals fails to pay or repay any amount due; (ii) (**receiver**): a receiver, receiver and manager, official manager, trustee, administrator or similar official is appointed, or steps taken for such appointment, over any of the assets or undertaking of Foxfire Metals; (iii) (**insolvency**): Foxfire Metals is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act or is presumed to be insolvent under the Corporations Act; (iv) (**arrangements**): Foxfire Metals enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them otherwise than while solvent and with the prior written consent of the Company; (v) (**administrator**): an administrator is appointed or a resolution is passed or any steps are taken to appoint, or to pass a resolution to appoint, an administrator to Foxfire Metals; (vi) (**winding up**): an application or order is made for the winding up or dissolution of Foxfire Metals, which application is not dismissed or withdrawn within 21 days or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of Foxfire Metals otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Company; or (vii) (**suspends payment**): Foxfire Metals suspends payment of its debts generally, (each, an **Event of Default**). If an Event of Default occurs, the Company may, by written notice to Foxfire Metals, declare the outstanding monies under the Loan to be immediately due and payable without the need for any further demand or notice to be given.
Assumption of Royalties	FMB has agreed to assign and Axel Brazil has agreed to assume the following royalty obligations in accordance with the Existing Royalty Deed: (a) a 3% gross sales royalty in respect of all minerals extracted from the Tenements; and (b) 2% gross sales royalty in respect of lithium and a 3% gross revenue royalty in respect of all other minerals extracted from the REE Tenements, (together, the **Royalties**). Director Pat Volpe will receive 50% of the Royalties.

The Asset Sale Agreement otherwise contains provisions considered customary for an agreement of its nature (including representations and warranties and confidentiality provisions).

9. Material Contracts continued

9.3 Other

In addition to the material contract summaries provided above, refer to Section VII of the Solicitor's Tenement Report in Annexure B for further information on agreements entered into by the Company in relation to the Tenements.

9.4 Agreements with Directors

9.4.1 Dr Fernando Tallarico – Consultancy Services Agreement

The Company has entered into a consultancy services agreement with Consenza Consultoria Em Mineraçã Ltda (**Consenza Consultoria**), under which Consenza Consultoria will provide executive management services to the Company, and procure Dr Tallarico to act as Managing Director of the Company (**Consultancy Services Agreement**). The material terms and conditions of which are summarised below:

Remuneration	The Company will pay Consenza Consultoria a fee of $28,000 per month. From 1 August 2024 and upon Admission of the Company to the Official List, the fee will be increased to $31,000.
Term	24 Months
Performance Rights	In addition to the fee mentioned above, the Company will also offer 2,050,000 performance rights to Consenza Consultoria (or its nominee) on the terms and conditions set out in Section 10.5 of this Prospectus. Refer to Note 7 in Section 6.6 for a breakdown of the performance rights.
Termination by Company	The Company may at its sole discretion terminate the engagement if at any time Consenza Consultoria or Dr Tallarico commits any serious or persistent breach of any of the provisions contained in this Consultancy Services Agreement and, if the breach is capable of remedy, is not remedied within 14 days of the receipt of written notice from the Company to Consenza Consultoria and/or Dr Tallarico to do so.
Termination by Dr Tallarico	Consenza Consultoria may at its sole discretion terminate the engagement if at any time the Company commits any serious or persistent breach of any of the provisions contained in this Consultancy Services Agreement and, if the breach is capable of remedy, is not remedied within 14 days of the receipt of written notice from Consenza Consultoria to the Company to do so.

The Consultancy Services Agreement otherwise contains provisions considered customary for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.4.2 Non-executive Director appointments

Mr Paul Dickson, Mr Pat Volpe and Mr Ian Kiers have entered into appointment letters with the Company to act in the capacity of non-executive Directors. These Directors will receive the remuneration and interests set out in Section 8.4.

9.4.3 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its officers. Pursuant to each of these deeds, the Company has agreed to indemnify each officer, to the extent permitted by the Corporations Act against certain liabilities arising as a result of the officer acting as an officer of the Company. The Company will also required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

SECTION 10

Additional Information

10. Additional Information

10.1 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.

10.2 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares 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.

General meetings	Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.
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: (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative; (b) 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 (c) 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 each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).
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 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.

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 such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such 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.
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.
Transfer of shares	Generally, shares in the Company 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 and the ASX Listing Rules.
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.
Variation of rights	Under 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.
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.

10.3 Terms and conditions of Officer Options

Set out below are the terms and conditions of the Officer Options:

Entitlement	Each Officer Option entitles the holder to subscribe for one Share upon exercise of the Officer Option.
Consideration	Nil consideration is payable for the grant of the Officer Option.
Exercise Price	The amount payable upon exercise of each Officer Option will be $0.30 for the Class A Officer Options and $0.37 for the Class B Officer Options (**Exercise Price**).

10. Additional Information continued

Expiry Date	Each Officer Option will expire on the earlier to occur of: (a) the date that is three years from the date of issue; or (b) the Officer Options lapsing and being forfeited under these terms and conditions, (**Expiry Date**). An Officer Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
Rights attaching to Officer Options	Prior to an Officer Option being exercised, the holder: (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Officer Option; (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; (c) is not entitled to receive any dividends declared by the Company; and (d) is not entitled to participate in any new issue of Shares.
Restrictions on dealing with Officer Options	The Officer Options cannot be sold, assigned, transferred, have a security interest granted over or otherwise with the consent of the Board in which case the Officer Options may be exercisable on terms determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to an Officer Option that has been granted to them.
Vesting Conditions	There are no vesting conditions applicable to the Officer Options.
Forfeiture Conditions	Officer Options will be forfeited on the Expiry Date.
Exercise	The holder may exercise their Officer Options by lodging with the Company, on or prior to the Expiry Date: (a) in whole or in part; (b) a written notice of exercise of Officer Options specifying the number of Officer Options being exercised (**Exercise Notice**); and (c) payment in Australian currency by electronic funds transfer (or other means of payment acceptable to the Company) of the Exercise Price for the number of Officer Options being exercised. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds; or (d) via Cashless Exercise of Officer Options (see below).
Timing of issue of Shares and quotation of Shares on exercise	Within five business days after the issue of a Notice of Exercise by the holder, the Company will: (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled; (b) if required, issue a substitute certificate for any remaining unexercised Officer Options held by the holder; and (c) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the ASX Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the ASX Listing Rules.

Restriction period and restrictions on transfer of Shares on exercise	The Officer Options (including any Shares issued on exercise of the Officer Options) may be subject to ASX imposed escrow restrictions on disposal in accordance with the ASX Listing Rules. Additionally, Shares issued on exercise of the Officer Options are subject to the following restrictions: (a) if the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Officer Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act; and (b) all Shares issued on exercise of the Officer Options are subject to restrictions imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available.
Rights attaching to Shares on exercise	All Shares issued upon exercise of the Officer Option will rank equally in all respects with the then Shares of the Company.
Cashless Exercise of Officer Options	At the time of exercise of the Officer Options, subject to Board approval at that time, the holder may elect not to be required to provide payment of the Exercise Price for the number of Officer Options specified in a Notice of Exercise but that on exercise of those Officer Options, the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Officer Options (with the number of Shares rounded down to the nearest whole Share).
Change of Control	if a Change of Control Event occurs, the Board may in its discretion determine the manner in which any or all of the holder's Officer Options will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.
Participation in entitlements and bonus issues	Subject always to the rights for the adjustments for bonus issues and reorganisation (as set out below), holders of Officer Options will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
Adjustment for bonus issue	If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Officer Options is entitled, upon exercise of the Officer Options, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Officer Options are exercised.
Reorganisation	If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of holder will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
Change to exercise price	An Officer Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Officer Option can be exercised.

10.4 Terms and conditions of Advisor Options

Entitlement	Each Advisor Option entitles the holder to subscribe for one Share upon exercise of the Advisor Option.
Exercise price	Subject to the terms set out below, the amount payable upon exercise of an Advisor Option will be: (a) Advisor Options to be issued to the Lead Manager: $0.37; and (b) Advisor Options to be issued to Pamplona: $0.30, (each, an **Exercise Price**).
Expiry Date	Each Advisor Option will expire at 5:00 pm (AEST) on the date that is: (a) **Advisor Options issued to the Lead Manager:** three (3) years from the date of the Company's admission to the Official List; and (b) **Advisor Options issued to Pamplona:** three (3) years from the date of issue, (each, an **Expiry Date**). An Advisor Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
Exercise Period	The Advisor Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
Notice of Exercise	The Advisor Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Advisor Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Advisor Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
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 Advisor Option being exercised in cleared funds (**Exercise Date**).
Timing of issue of Shares on exercise	Within five Business Days after the Exercise Date, the Company will: (a) issue the number of Shares required under these terms and conditions in respect of the number of Advisor Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; (b) 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 (c) 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 Advisor Options. If a notice delivered under paragraph (b) above 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.
Shares issued on exercise	Shares issued on exercise of the Advisor Options rank equally with the then issued shares of the Company.

Reconstruction of capital	If at any time the issued capital of the Company is reconstructed, all rights of a holder of an Advisor Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
Participation in new issues	There are no participation rights or entitlements inherent in the Advisor Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Advisor Options without exercising the Advisor Options.
Change in exercise price	An Advisor Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Advisor Option can be exercised.
Transferability	The Advisor Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

10.5 Terms and conditions of Performance Rights

Set out below are the terms and conditions of the Performance Rights:

Entitlement	Each Performance Right entitles the holder to subscribe for one Share upon exercise of the Performance Right.
Consideration	Nil consideration is payable for the grant of the Performance Right.
Vesting Conditions/ Milestones	The Performance Rights will vest as follows: (a) **Class A Performance Rights:** shall vest upon satisfaction of the following: (i) receipt of conditional listing approval from ASX, on terms satisfactory to the Company; and (ii) the holder remaining a director of the Company on the date that is 12 months after the Company is admitted to the official list of the ASX or any other recognised stock exchange (**Listing**). (b) **Class B Performance Rights:** shall vest upon satisfaction of the following: (i) 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**) is at or above 100% of the price of shares offered to investors in the capital raising conducted in conjunction with the Listing (**Offer Price**); and (ii) the holder remaining a director of the Company for a period of 24 months post-Listing. (c) **Class C Performance Rights:** shall vest upon satisfaction of the following: (i) the Company's 20-day VWAP is at or above 250% of the Offer Price; and (ii) the holder remaining a director of the Company for a period of 24 months post-Listing. (d) **Class D Performance Rights:** shall vest upon the Company completing 20,000m of auger drilling on a project area prospective for REE, 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) **Class E Performance Rights:** shall vest upon the Company announcing to ASX a 10Mt Inferred Resource at a minimum grade of 1,000ppm TREO for a REE project (as verified by a Competent Person). A Performance Right will vest when a vesting notice is given to the holder.

Expiry Date	Each Performance Right will expire on the earlier to occur of: (a) the date that is two years from the date of issue; or (b) the Performance Rights lapsing and being forfeited under these terms and conditions, (**Expiry Date**). For the avoidance of doubt, any unexercised Performance Rights will automatically lapse on the Expiry Date.
Rights attaching to Performance Rights	Prior to a Performance Right being exercised, the holder: (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Performance Right; (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; (c) is not entitled to receive any dividends declared by the Company; and (d) is not entitled to participate in any new issue of Shares.
Restrictions on dealing with Performance Rights	The Performance Rights cannot be sold, assigned, transferred, have a security interest granted over or otherwise dealt with. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Performance Right that has been granted to them.
Forfeiture Conditions	Performance Rights will be forfeited in the following circumstances: (a) an unauthorised dealing in, or hedging of, the Performance Right occurring; (b) on the date the holder or their Nominated Party (if applicable) becomes insolvent; (c) in the case of unvested Performance Rights only, where a Participant acts fraudulently, dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group and the Board exercises its discretion to deem some or all of the Performance Rights held by that Participant to have been forfeited; or (d) on the Expiry Date, subject to the discretion of the Board.
Exercise	The holder may exercise their Performance Rights by lodging with the Company, on or prior to the Expiry Date: (a) in whole or in part; and (b) a written notice of exercise of Performance Rights specifying the number of Performance Rights being exercised (**Exercise Notice**).
Timing of issue of Shares and quotation of Shares on exercise	Within five business days after the issue of a Notice of Exercise by the holder, the Company will: (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled; (b) if required, issue a substitute certificate for any remaining unexercised Performance Rights held by the holder; and (c) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the ASX Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the ASX Listing Rules.

Restriction period and restrictions on transfer of Shares on exercise	The Performance Rights (including any Shares issued on exercise of the Performance Rights) may be subject to ASX imposed escrow restrictions on disposal in accordance with the ASX Listing Rules. Additionally, Shares issued on exercise of the Performance Rights are subject to the following restrictions: (a) if the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act; (b) all Shares issued on exercise of the Performance Rights are subject to restrictions imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available; and (c) all Shares issued on exercise of the Performance Rights are subject to the terms of the Company's Securities Trading Policy.
Rights attaching to Shares on exercise	All Shares issued upon exercise of the Performance Right will rank equally in all respects with the then Shares of the Company.
Change of Control	If a Change of Control Event occurs, unvested Performance Rights will automatically vest.
Participation in entitlements and bonus issues	Subject always to the rights for adjustment for bonus issues and reorganisations, holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
Adjustment for bonus issue	If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Performance Rights is entitled, upon exercise of the Performance Rights, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Performance Rights are exercised.
Reorganisation	If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Performance Rights will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

10. Additional Information continued

Definitions	For the purposes of these terms: **Associate** has the same meaning as in section 12 of the Corporations Act. **Associated Body Corporate** means an associated entity of the Company, where the associated entity is a body corporate. **Board** means the board of directors of the Company, a committee appointed by the board of directors of the Company as constituted from time to time, or, in respect of a particular matter, any person who is provided with delegated authority by the board of directors of the Company in respect of that particular matter from time to time. **Change of Control Event** means: (a) a change in Control of the Company; (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its Associates) owning more than fifty per cent (50%) of Issued Capital; (c) where a person becomes the legal or the beneficial owner of, or has a Relevant Interest in, more than fifty per cent (50%) of Issued Capital; (d) where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of Issued Capital; and (e) where a Takeover Bid is made to acquire more than fifty per cent (50%) of Issued Capital (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to more than 50% of Issued Capital) and the Takeover Bid becomes unconditional and the bidder (together with its Associates) has a Relevant Interest in more than 50% of Issued Capital, but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Group. **Control** has the same meaning as in section 50AA of the Corporations Act. **Corporations Act** means the *Corporations Act 2001* (Cth). **Group** means the Company and each of its Associated Bodies Corporate from time to time. **Issued Capital** means issued Shares from time to time. **Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date, unless otherwise specified in an Invitation. **Relevant Interest** has the same meaning as in section 9 of the Corporations Act. **Share** means a fully paid ordinary share in the capital of the Company. **Takeover Bid** has the meaning given to that term in the Corporations Act.

10.6 Employee Incentive Securities Plan

The Company has adopted an Employee Incentive Securities Plan (**Plan**) to allow eligible participants to be granted Securities in the Company. The principle terms of the Plan are summarised below:

Eligible Participant	**Eligible Participant** means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Director Participation	Although Directors are entitled to participate in the Plan, no Securities have been issued or are currently proposed to be to Directors under the Plan as at the date of this Prospectus.
Purpose	The purpose of the Plan is to: (a) assist in the reward, retention and motivation of Eligible Participants; (b) link the reward of Eligible Participants to Shareholder value creation; and (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Shares, Options, Performance Rights or Convertible Securities (**Securities**).
Maximum number of Convertible Securities	The Company will not make an invitation under the Plan which involves monetary consideration if the number of Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b). The Constitution specifies a threshold of 10% of the issue cap. The maximum number of equity securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exemption 13(a)) is 18,303,561, being 10% of the undiluted capital post-Listing (assuming the Maximum Subscription is raised). It is not envisaged that the maximum number of Securities will be issued immediately.
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides. On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

10. Additional Information continued

Grant of Securities	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required. **Participant** means an Eligible Participant who has been granted any Security under this Plan.
Rights attaching to Convertible Securities	A **Convertible Security** represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right). Prior to a Convertible Security being exercised, the holder: (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan; (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; (c) is not entitled to receive any dividends declared by the Company; and (d) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).
Restrictions on dealing with Convertible Securities	Convertible Securities issued under the Plan cannot be sold, assigned, transferred, have a security interest granted over or otherwise dealt with unless in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the holder) with the consent of the Board in which case the Convertible Securities may be exercisable on terms determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
Vesting of Convertible Securities	Any vesting conditions applicable to the Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that security will lapse.
Forfeiture of Convertible Securities	Convertible Securities will be forfeited in the following circumstances: (a) in the case of unvested Convertible Securities only, where the holder ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group); (b) where a Participant acts fraudulently, dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group and the Board exercises its discretion to deem some or all of the Convertible Securities held by a Participant to have been forfeited; (c) where there is a failure to satisfy the vesting conditions in accordance with the Plan; (d) on the date the Participant becomes insolvent; or (e) on the Expiry Date, subject to the discretion of the Board.
Listing of Convertible Securities	Convertible Securities granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of Convertible Securities granted under the Plan on the ASX or any other recognised exchange.

Exercise of Convertible Securities and cashless exercise	To exercise a security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Securities (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice. An invitation to apply for Convertible Securities may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities. Convertible Securities may not be exercised unless and until that security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.
Timing of issue of Shares and quotation of Shares on exercise	Within five business days after the issue of a valid notice of exercise by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
Restriction periods and restrictions on transfer of Shares on exercise	If the invitation provides that any Shares issued upon the valid exercise of a Convertible Security are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction. Additionally, Shares issued on exercise of the Convertible Securities are subject to the following restrictions: (a) if the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Convertible Securities may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act; (b) all Shares issued on exercise of the Convertible Securities are subject to restrictions imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available; and (c) all Shares issued on exercise of the Convertible Securities are subject to the terms of the Company's Securities Trading Policy.
Rights attaching to Shares on exercise	All Shares issued upon exercise of Convertible Securities will rank equally in all respects with the then Shares of the Company.
Change of control	If a Change of Control Event occurs, the Board may in its discretion determine the manner in which any or all of the holder's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event. The Board may specify in the Invitation how the Convertible Securities will be treated on a Change of Control Event occurring, or the Board determining that such event is likely to occur, which may vary depending upon circumstances in which the Participant becomes a leaver and preserve some or all of the Board's discretion under this rule.
Participation in entitlements and bonus issues	Subject always to the rights under the following two paragraphs, Participants will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

10. Additional Information continued

Adjustment for bonus issue	If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the Participant is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.
Reorganisation	If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
Buy-Back	Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.
Employee Share Trust	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.
Amendment of Plan	Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect. No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
Plan duration	The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants. If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.
Income Tax Assessment Act	The Plan is a plan to which Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.
Withholding	If a member of the Group, a trustee or the Plan administrator is obliged, or reasonably believes that it may have an obligation to account for any tax (including, any tax, levy, charge, franchise, impost, duty, fee, rate, deduction, compulsory loan or withholding), or any superannuation amounts (or equivalent social security contributions, if applicable) in respect of a Participant (**Withholding Amount**), then that Group company, trustee or Plan administrator (as applicable) is entitled to withhold or be reimbursed by the Participant for the Withholding Amount payable or paid. The relevant Group company, trustee or Plan administrator may take any actions as it sees fit to ensure payment of, or recover (as applicable), the Withholding Amounts.

10.7 ASX Confirmations and Waivers

The Company has sought advice from ASX regarding the following confirmations and waivers from ASX:

(a) confirmation that the terms of the 6,150,000 Performance Rights issued to Mr Dickson, Dr Tallarico and Mr Kiers, are appropriate and equitable for the purposes of Listing Rule 6.1; and

(b) a waiver from Listing Rule 1.1 Condition 12 to the extent necessary to permit the Company to have on issue the Performance Rights to be issued to Mr Dickson, Dr Tallarico and Mr Kiers on the terms set out in Section 10.5 at Admission.

For the purposes of the confirmations sought from ASX as set out in Section 10.7(a), the Company confirms that:

(a) the Performance Rights were issued to remunerate and incentivise Mr Dickson, Dr Tallarico and Mr Kiers;

(b) Mr Dickson, Dr Tallarico and Mr Kiers are Directors;

(c) the remuneration packages of Mr Dickson, Dr Tallarico and Mr Kiers as contained in Section 8.4 are in addition to the Performance Rights to be issued to them;

(d) Mr Dickson, Dr Tallarico and Mr Kiers hold securities as set out in Section 8.4;

(e) the purpose of the issue of the Performance Rights was to provide a performance linked incentive component in the remuneration packages for Dickson, Dr Tallarico and Mr Kiers to motivate and reward their performances in their respective roles and to provide cost effective remuneration to Dickson, Dr Tallarico and Mr Kiers, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given;

(f) the number of Performance Rights issued to each of the recipients was determined based upon a consideration of:

  (i) current market practices of ASX listed companies of a similar size and stage of development to the Company;

  (ii) the remuneration of the recipients; and

  (iii) incentives to attract and retain the services of the recipients while preserving the Company's cash reserves.

  The Company considers the number of Performance Rights issued to be appropriate and reasonable based upon these considerations and does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed; and

(g) if the milestones attaching to the Performance Rights issued to Dickson, Dr Tallarico and Mr Kiers are met and the Performance Rights are converted, a total of 6,150,000 Shares would be issued. This would increase the number of Shares on issue from 183,035,612 Shares (assuming Full Subscription, Foxfire Consideration Shares are not issued and on an undiluted basis) to 189,185,612 Shares.

10.8 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 Offers; or

(c) the Offers,

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 Offers.

10.9 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, advisor 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 Offers; or

(f) the Offers,

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 Offers.

SRK Consulting (Australasia) Pty Ltd (**SRK**) has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Annexure A. The Company estimates it will pay SRK a total of $44,000 (net of GST recoverable) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, SRK has not received fees from the Company for any other services.

PKF Melbourne Corporate Pty Ltd (**PKF Melbourne**) has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Annexure C. The Company estimates it will pay PKF Melbourne a total of $49,500 (net of GST recoverable) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, PKF Melbourne has not received fees from the Company for audit services.

PKF Audit (Perth) has been appointed as the Company's auditor. During the 24 months preceding lodgement of this Prospectus with the ASIC, PKF Audit (Perth) has received $23,500 (excluding GST) in fees from the Company for audit services.

Bell Potter has acted as the lead manager to the Offer and will receive those fees set out in Section 4.6 following the successful completion of the Offer for its services as Lead Manager to the Offer. Bell Potter will be responsible for paying all capital raising fees that Bell Potter and the Company agree with any other financial service licensees. Further details in respect to the Lead Manager Mandate are summarised in Section 9.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, Bell Potter has not received fees from the Company for any other services.

William Freire Advogados Associados has acted as the Brazilian legal adviser to the Company in relation to the Offers and has prepared the Solicitor's Tenement Report in Annexure B. The Company estimates it will pay William Freire Advogados Associados $18,000 (excluding taxes) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, William Freire Advogados Associados has not received fees from the Company for any other services.

Steinepreis Paganin has acted as the Australian legal adviser to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin $176,000 (net of GST recoverable) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

10.10 Consents

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

SRK Consulting (Australasia) Pty Ltd has given its written consent to being named as Independent Geologist in this Prospectus, and to the inclusion of the Independent Geologist's Report in Annexure A in the form and context in which the report is included.

PKF Melbourne Corporate Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Annexure C in the form and context in which the information and report is included.

PKF Audit (Perth) has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in the Investigating Accountant's Report included in Annexure C to this Prospectus in the form and context in which the information is included.

William Freire Advogados Associados has given its written consent to being named as Brazilian legal advisor to the Company in relation to the Offers in this Prospectus, and to the inclusion of the and the inclusion of the Solicitor's Tenement Report in Annexure B in the form and context in which the report is included.

Steinepreis Paganin has given its written consent to being named as the Australian legal adviser to the Company in relation to the Offers in this Prospectus.

Bell Potter has given its written consent to being named as the Lead Manager to the Company in this Prospectus.

Automic has given its written consent to being named as the share registry to the Company in this Prospectus.

10.11 Expenses of the Offers

The total expenses of the Offer (net of GST recoverable) are estimated to be approximately $1,511,338 for Minimum Subscription and $1,833,147 for Maximum Subscription and are expected to be applied towards the items set out in the table below:

ITEM OF EXPENDITURE	MINIMUM SUBSCRIPTION ($)	MAXIMUM SUBSCRIPTION ($)
ASIC Fees	3,206	3,206
ASX Fees	142,353	156,662
Lead Manager Fees[1]	1,000,000	1,307,500
Australian Legal Fees	176,000	176,000
Brazilian Legal Fees	18,000	18,000
Independent Geologist's Fees	44,000	44,000
Investigating Accountant's Fees	49,500	49,500
Tax Advisory Fees	7,260	7,260
Printing and Distribution	44,000	44,000
Miscellaneous	27,019	27,019
TOTAL[2,3]	**1,511,338**	**1,833,147**

Notes:

1. Includes the value of Options to be issued to the Lead Manager (valued at $385,000).
2. Includes expenses of the Offer that have already been incurred totalling $180,843.
3. The total represents the cash expenses of the Offer (net of GST recoverable) and includes the value of Options to be issued to the Lead Manager (valued at $385,000) and expenses of the offer that have already been paid ($180,843).

SECTION 11

Directors' Authorisation

11. 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.

SECTION 12

Glossary

12. Glossary

Where the following terms are used in this Prospectus, they have the following meanings:

TERM	DEFINITION
$	means an Australian dollar.
Admission	means the admission of the Company to the Official List.
Advisor Options	means the Options being issued to the Lead Manager and Pamplona (and/or their respective nominees).
AEST	means Australian Eastern Standard Time as observed in Melbourne, Victoria.
ANM	means the Brazilian National Mining Agency.
Application Form	means the application form attached to or accompanying this Prospectus (including an online application form) relating to the Offer.
ASIC	means Australian Securities & Investments Commission.
Asset Sale Agreement	means the amended and restated asset sale agreement.
Assignment Agreement	means the mineral rights assignment agreement entered into between Axel Brazil and FMB dated 2 November 2023.
Associate	has the same meaning as in section 12 of the Corporations Act.
Associated Body Corporate	means an associated entity of the Company, where the associated entity is a body corporate.
ASX	means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.
ASX Listing Rules	means the official listing rules of ASX.
Axel Brazil	means Axel REE Ltda (a wholly-owned subsidiary of the Company incorporated in Brazil).
Axel Tenements	means Tenements (excluding the REE Tenements).
Board	means the board of Directors as constituted from time to time.
Business Days	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.

TERM	DEFINITION
Change of Control Event	means: (a) a change in Control of the Company; (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its Associates) owning more than fifty per cent (50%) of Issued Capital; (c) where a person becomes the legal or the beneficial owner of, or has a Relevant Interest in, more than fifty per cent (50%) of Issued Capital; (d) where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of Issued Capital; and (e) where a Takeover Bid is made to acquire more than fifty per cent (50%) of Issued Capital (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to more than 50% of Issued Capital) and the Takeover Bid becomes unconditional and the bidder (together with its Associates) has a Relevant Interest in more than 50% of Issued Capital, but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Group.
CHESS	means the Clearing House Electronic Subregister System operated by ASX Settlement.
Closing Date	means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).
Company or Axel REE	means Axel REE Limited (ACN 665 921 273).
Conditions	has the meaning set out in Section 4.8.
Convertible Notes	means the Foxfire Metals Pty Ltd convertible note agreements the Company is a party to.
Constitution	means the constitution of the Company.
Control	has the same meaning as in section 50AA of the Corporations Act.
Corporations Act	means the *Corporations Act 2001* (Cth).
Directors	means the directors of the Company at the date of this Prospectus.
Existing Royalty Deed	means the royalty deed entered into between FMB, Mr Carlos Alberto Fereirra Teles, Mr Pat Volpe and Cap Holdings Pty Ltd dated 3 March 2023.
Exposure Period	means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

12. Glossary continued

TERM	DEFINITION
FMB	means Foxfire Metals Ltda (wholly owned subsidiary of Foxfire Metals incorporated in Brazil).
Foxfire Metals	means Foxfire Metals Pty Ltd (ACN 609 688 824).
Group	means the Company and each of its Associated Bodies Corporate from time to time.
IAC-type	means ionic adsorption clay type.
Institutional Offer	means the offer of Shares pursuant to this Prospectus to certain institutional and professional investors with a registered address in Australia, New Zealand, Hong Kong, Singapore, United Kingdom and the European Union (excluding Austria) as set out in Section 4.1.
Issued Capital	means issued Shares from time to time.
JORC Code	has the meaning given in the Important Notice Section.
Lead Manager or Bell Potter	means Bell Potter Securities Limited (ACN 006 390 772).
Lead Manager Mandate	means the agreement with the Lead Manager summarised in Section 9.1.
Market Value	means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date, unless otherwise specified in an Invitation.
Maximum Subscription	means the maximum amount to be raised under the Offer, being $15,000,000.
Minimum Subscription	means the minimum amount to be raised under the Offer, being $10,000,000.
MREO	means rare earth elements used in magnets and includes the sum of oxides of four specific rare earth elements, namely praseodymium, neodymium, dysprosium and terbium.
Offer	means the offer of Shares pursuant to this Prospectus as set out in Section 4.1, comprising of the Public Offer and Institutional Offer.
Offer Price	means $0.20 per Share.
Offers	means the Offer and the Secondary Offers.
Officer Options	means the Options being issued to Mr Pat Volpe and Mr Patrick Volpe (and/or their respective nominees).
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the ASX Listing Rules.
Option	means an option to acquire a Share.

TERM	DEFINITION
Optionholder	means a holder of an Option.
Original Prospectus	has the meaning given in the Important Notice Section.
Pamplona	means Pamplona Capital Pty Ltd (ACN 150 332 700).
Performance Right	means a performance right convertible into a Share.
Projects	means, collectively, the Caladáo, Caldas, Itiquira and Corrente Projects.
Prospectus or Replacement Prospectus	means this replacement prospectus.
Public Offer	means the offer of Shares pursuant to this Prospectus to the general public as set out in Section 4.1.
Recommendations	has the meaning set out in Section 8.7.
REE	means rare earth elements.
REE Tenements	means claim No 831.458/2020, No 831524/2020 and a pending application for claim No 831515/2020.
Relevant Interest	has the same meaning as in section 9 of the Corporations Act.
Royalty Deed	means the deed of assumption and variation.
Secondary Offer	has the meaning set out in Section 4.9.
Section	means a section of this Prospectus.
Securities	means Shares and Options.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of Shares.
Spark	means Spark Energy Minerals Inc (an entity incorporated in Canada).
Takeover Bid	has the meaning given to that term in the Corporations Act.
Tenements	means the mining tenements (including applications) in which the Company has an interest as set out in Section 5.2 and further described in the Independent Geologist's Report at Annexure A and the Solicitor's Tenement Report at Annexure B or any one of them as the context requires.
TREO	means total rare earth oxides.
US	means the United States of America.

ANNEXURE A

Independent Geologist's Report

Annexure A. Independent Geologist's Report

Final

Independent Geologist's Report on the Mineral Assets of Axel REE Limited

Caladão, Caldas, Corrente and Itiquira Projects, Brazil, South America
Axel REE Limited

SRK Consulting (Australasia) Pty Limited ▪ AXE001 ▪ 17 May 2024

srk consulting

Final

Independent Geologist's Report on the Mineral Assets of Axel REE Limited

Caladão, Caldas, Corrente and Itiquira Projects, South America

Prepared for:
Axel REE Limited
Suite 3, 16 Cotham Road
Kew, VIC, 3101
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SRK Consulting (Australasia) Pty Limited ▪ AXE001 ▪ 17 May 2024

srk consulting

Acknowledgments

Role	Name	Professional designation
Coordinating author	Gavin Chan	BSc, MPhil, PhD, FAIG
Peer review	Rodney Brown	BSc, MGAA, MAusIMM, MAIG
Releasing authority	Rodney Brown	BSc, MGAA, MAusIMM, MAIG

Disclaimer: The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by Axel REE Limited (Axel). The opinions in this Report are provided in response to a specific request from Axel to do so. SRK has exercised all due care in reviewing the supplied information. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

Letter to Company

6 June 2024

The Directors
Axel REE Limited
Suite 3/16 Cotham Road
Kew VIC 3101
Australia

Dear Sir/Madam

Axel REE Limited – Independent Geologist's Report on the mineral assets of Axel REE Limited

At your request, SRK Consulting (Australasia) Pty Ltd (SRK) has prepared an Independent Geologist's Report (IGR) on the mineral assets of Axel REE Limited (Axel or the Company). It is SRK's understanding that the IGR will be included in a Replacement Prospectus to be lodged with the Australian Securities and Investments Commission (ASIC) in support of a proposed listing of the Company on the Australian Securities Exchange (ASX). The purpose of the Replacement Prospectus is to offer for subscription of 75 million new shares at an issue price of A$0.20 per share to raise a total of A$15 M (maximum subscription) or A$10 M (minimum subscription) before the costs of the issue to fund future exploration and development of the Axel Mineral Assets.

The Mineral Assets of Axel which are under consideration in this IGR are situated in Brazil and are prospective for rare earth element (REE) mineralisation. These assets include four projects: the Caladão project and Caldas project in Minas Gerais State/São Paulo State, the Corrente project in Piauí State and the Itiquira project in Mato Grosso State.

The objectives of this IGR are to:

- provide an overview of the geological setting of the projects and the associated mineralisation
- present a geological description for each project
- outline the recent exploration and development activities undertaken on each project
- comment on the exploration and development potential on each project
- consider the appropriateness of Axel's proposed work program and budget.

This IGR has been prepared in accordance with the ASX Listing Rules. Under these rules, reporting in accordance with the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code, 2012) and the *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets* (VALMIN Code, 2015) mineral reporting codes (as defined herein) is required.

For the preparation of this IGR, Axel has made available all relevant information that it holds. Where necessary, SRK has supplemented this information with information from its own geological databases or information available in the public domain. A listing of the documents referenced is provided at the end of this Report or IGR. None of the entities referred to in this report have consented to their inclusion in this Replacement Prospectus and have only been referred to in the context of reporting material fact.

Opinions presented in this IGR apply to the site conditions and features as they existed at the time of SRK's investigations and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report or IGR, about which SRK had no prior knowledge nor had the opportunity to evaluate.

The current ownership status and standing of the tenements within each project is dealt with in a separate Solicitor's Report in this Replacement Prospectus. SRK has not independently verified the ownership and current standing of the tenements and is not qualified to make legal representations in this regard. SRK has not attempted to confirm the legal status of the tenements with respect to acquisition or joint venture agreements, local heritage or potential social, environmental or land access restrictions. SRK has prepared this Report or IGR on the understanding that all the tenements are currently in good standing.

The proposed exploration programs developed by Axel and reviewed by SRK have been designed to realise the potential of each project in a prudent and efficient manner. The exploration programs currently planned by Axel amount to A$11.23 M (maximum subscription) or A$7.37 M.

From SRK's assessment of the project areas, it is SRK's opinion that the projects are of merit and worthy of further exploration, and that the exploration programs proposed over the respective projects have been carefully conceived and costed.

Axel's planned commitment of A$11.23 M (maximum subscription) or A$7.37 M (minimum subscription) to the exploration and evaluation of the projects represents approximately 75% of the funds proposed to be raised by Axel after costs of the issue and satisfies the requirements of ASX Listing Rules 1.3.2 (b), 1.3.3 (a) and 1.3.3 (b).

This IGR was prepared by Dr (Gavin) Heung Ngai Chan (Principal Consultant, Project Evaluation). Dr Chan has sufficient experience which is relevant to the style of mineralisation and type of mineral deposits under consideration to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Rodney Brown (Principal Consultant, Resource Evaluation) provided peer review of the IGR. Dr Chan consents to the inclusion of this IGR in the Axel Replacement Prospectus and the matters based on their information in the form and context in which they appear.

SRK is a firm providing specialist mining industry consultancy services in the fields of geology, exploration, resource estimation, mining engineering, geotechnical engineering, risk assessment, mining information technology and corporate services, including independent expert reports and mineral asset valuations. Operating from offices in Perth, Brisbane, Newcastle, Sydney and Melbourne, SRK has prepared Independent Technical Reports and valuations on a variety of mineral commodities in many countries.

Neither SRK nor any of its consultants involved in the preparation of this Report or IGR have any material interest in Axel or in the Mineral Assets considered in this Report or IGR. SRK is remunerated for this Report or IGR by way of a professional fee determined according to a standard schedule of rates. SRK's remuneration is not contingent on the outcome of this Report or IGR.

SRK has given and has not before lodgement of the Replacement Prospectus with ASIC withdrawn its written consent to being named as author of this Report or IGR and to the inclusion of this IGR in the Axel Replacement Prospectus.

Statement of SRK independence

Neither SRK nor any of the authors of this IGR have any material present or contingent interest in the outcome of this Report or IGR, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of SRK.

Consulting fees

SRK's professional fee is approximately A$38,000 for completing this IGR. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data.

Warranties and indemnities

Axel has warranted that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

Consent

SRK has given and has not withdrawn its consent for this Report or IGR, in full, in the Axel Replacement Prospectus in the form and context in which the technical assessment is provided to be used for the purposes of Axel listing on the ASX, including publication on Axel's website and to the inclusion of statements made by SRK and to the references of its name in other documents pertaining to Axel's listing on the ASX. SRK provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of this IGR be considered with, and not independently of, the information set out in the complete Report or IGR.

SRK confirms that to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this Report or IGR is in accordance with the facts and does not omit anything likely to affect the import of such information.

SRK confirms that nothing has come to its attention to indicate any material change to what is reported in this Report or IGR.

Yours faithfully

For and on behalf of SRK Consulting (Australasia) Pty Ltd

Dr Gavin Chan, PhD, FAIG
Principal Consultant (Project Evaluation)

Rodney Brown, MAIG, MAusIMM
Principal Consultant (Resource Evaluation)

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Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

A$	Australian dollars
AIG	Australian Institute of Geoscientists
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
Axel	Axel REE Limited
CBMM	Companhia Brasileira de Metalurgia
Ce	cerium
Dy	dysprosium
EBP	Eastern Brazilian Pegmatite Province
Er	erbium
Eu	europium
Gd	gadolinium
Ho	holmium
hp	horsepower
HREE	heavy rare earth elements
HREO	heavy rare earth oxides and includes the sum of all oxides of the heavy rare earth elements (gadolinium to lutetium) and yttrium
IAC	ionic adsorption clay
ICP-MS	inductively coupled plasma mass spectrometry
IGR	Independent Geologist's Report
IPO	initial public offering
JORC Code	Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves
km^2	square kilometres
La	lanthanum
LREE	light rare earth elements
LREO	light rare earth oxides and includes the sum of all oxides of the light rare earth elements (lanthanum to europium)
Lu	lutetium
M	million
Ma	millions of years ago
Meteoric	Meteoric Resources
mm	millimetres
MREE	rare earth elements used in magnets, i.e. praseodymium, neodymium, terbium and dysprosium
MREO	rare earth elements used in magnets and includes the sum of oxides of four specific rare earth elements, namely praseodymium, neodymium, dysprosium and terbium
Nd	neodymium
Pm	promethium

ppm	parts per million
Pr	praseodymium
QA/QC	quality assurance and quality control
REE	rare earth elements
REO	rare earth oxides
Sm	samarium
SRK	SRK Consulting (Australasia) Pty Ltd
Tb	terbium
Tm	thulium
TREO	total rare earth oxide
VALMIN Code	Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets
Viridis	Viridis Mining and Minerals Ltd
Y	yttrium
Yb	ytterbium

Executive Summary

Axel Resources Limited (Axel or the Company) is proposing to list its mineral assets located in Brazil on the Australian Securities Exchange (ASX) via an initial public offering (IPO) of shares (Proposed Listing or the Offer).

Axel has commissioned SRK Consulting (Australasia) Pty Ltd (SRK) to provide an Independent Geologist's Report (IGR or Report) on its portfolio of mineral assets in Brazil. The IGR will be included in the Replacement Prospectus relating to the Offer. SRK's report does not comment on the 'fairness and reasonableness' of any transaction between Axel and any other parties.

The Report has been prepared under the guidelines of the 2015 edition of the *Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets* (VALMIN Code). The VALMIN Code incorporates the 2012 edition of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code). In addition, the Report has been prepared in accordance with the relevant requirements of the Listing Rules of the ASX and relevant Australian Securities and Investment Commission (ASIC) Regulatory Guidelines.

The mineral assets considered in this IGR comprise four projects in Brazil, covering a total of 1,105.16 km^2, which are considered prospective for rare earth elements (REE) across four states in Brazil. These projects include:

- The Caladão project, located in the Lithium Valley of the northern Minas Gerais State, comprises 23 granted Exploration Licences and 7 Exploration Licences in application covering an approximate area of 417.68 km^2.
- The Caldas project, located on the boundary between southern Minas Gerais State and São Paulo State, comprises 24 granted Exploration Licences and 4 Exploration Licences in application, covering an area of approximately 232.36 km^2.
- The Corrente project, located in Piauí State, consists of 3 granted Exploration Licences, covering a total area of 59.32 km^2.
- the Itiquira project, located in Mato Grosso State, comprises 4 granted Exploration Licences, covering a total area of 395.80 km^2.

Of the four projects, the Caladão project is considered a priority. The geology of the project is largely underlain by the Cambrian calc-alkaline to alkaline granite. Following an initial surface sampling program, recent reconnaissance auger drilling has revealed anomalous concentrations of REE in the weathering profile in both target areas, known as Area A and Area B. Some of these auger holes were terminated within the mineralisation zone. The initial auger drilling, conducted at wide spacing, indicates the prospective nature of the area and suggests the potential presence of ionic-adsorption clay (IAC)-type REE mineralisation.

The Caldas project consists of several tenements located near or above the Poços de Caldas alkaline complex. This complex has undergone alteration due to hydrothermal fluids rich in potassium and fluorine. As a result, clay minerals have been enriched, potassium metasomatism has occurred, and mineralisation of uranium, molybdenum, thorium, REEs, and fluorspar has taken place.

Recent auger drilling conducted in the area by other companies has indicated the presence of IAC-type mineralisation starting from the surface. The source rocks for this mineralisation originated from the altered alkaline complex. Some of Axel's licenses share similar geological characteristics with the projects of other companies. Individual soil samples recently taken from Axel's tenements, mostly around the alkaline complex, showed maximum concentrations of 2,420 ppm TREO, 1,611 ppm light rare earth oxides (LREO) and 292 ppm heavy rare earth oxides (HREO) and minimum concentrations of 296 ppm TREO, 235 ppm LREO and 23 ppm HREO. Together, the samples have averages of 851 ppm TREO, 752 ppm LREO and 99 ppm HREO. The initial surface sampling results have shown the area might also be prospective for IAC-type REE mineralisation.

Geophysical signatures observed in the Corrente and Itiquira projects suggest the possible existence of alkaline-carbonatite complexes. The peripheries of these complexes are regarded as areas with the potential for REE mineralisation.

Axel has developed a technical budget that relies on money raised from the Proposed Listing. A 2-year exploration program to evaluate numerous targets within its project areas, with a budgeted expenditure of approximately A$11.23 M (maximum subscription) and A$7.37 M (minimum subscription) is proposed.

The proposed exploration programs include auger drilling at the priority targets of Caladão, aiming to define a Mineral Resource in accordance with the JORC Code (2012). Auger drilling will also be conducted at Caldas, followed by reconnaissance surface sampling and geophysical surveys. Systematic evaluation of targets, including surface sampling and geophysical surveys at Corrente and Itiquira will also be undertaken. Potential targets will also be tested by diamond drilling. The proposed technical budgets for each project are summarised in Table ES-1. Additional details relating to the sources and uses of funds, including tenement costs and costs of the Offer, are presented elsewhere in the Replacement Prospectus relating to the Offer.

Table ES-1: Use of funds – technical budget summary

Project location	Maximum subscription (A$15 M)			Minimum subscription (A$10 M)		
	Year 1 (A$ M)	Year 2 (A$ M)	Total (A$ M)	Year 1 (A$ M)	Year 2 (A$ M)	Total (A$ M)
Caladão	6.33	0.63	6.96	4.09	1.30	5.39
Caldas	0.47	1.06	1.53	0.47	1.06	1.53
Corrente	0.16	0.84	1.00	0.02	0.09	0.11
Itiquira	0.24	1.50	1.74	0.18	0.16	0.34
Total	**7.20**	**4.03**	**11.23**	**4.76**	**2.61**	**7.37**

Source: Axel

SRK has concluded from its review of Axel's project areas that they are of merit and worthy of further exploration at the budgetary levels proposed by Axel. The funds allocated by Axel for the technical assessment of the projects should be sufficient to sustain the planned work programs over a 2-year budget period.

In addition to an effective exploration strategy, Axel's success will largely depend on the skill of its exploration team. In SRK's opinion, Axel's understanding of the local geology and the targets generated through previous studies and exploration programs is reasonable and further

assessment works are warranted. Furthermore, SRK considers Axel's exploration strategy to be justified and SRK is satisfied that the proposed exploration programs have been well defined and are appropriate.

Progressive expenditure will depend on the success of the proposed exploration activities and technical studies. Axel may require additional funds should the outcome of drilling, in particular, necessitate modifications to the work program.

SRK notes that mineral assets at a similar stage of study to the projects discussed in this IGR are inherently speculative in nature, given the uncertainty associated with geological variability. It is uncertain if further exploration will result in the estimation of a reportable Mineral Resource.

The facts, opinions and assessments presented in this Report are current at the Report's Effective Date of 6 June 2024.

1 Introduction

Axel is proposing to list its mineral assets located in Brazil on the ASX through an IPO of shares. SRK has been appointed by Axel to prepare an IGR in accordance with the Listing Rules of the ASX and the ASIC Regulatory Guidelines. The IGR will be included in the Company's Replacement Prospectus relating to the Offer.

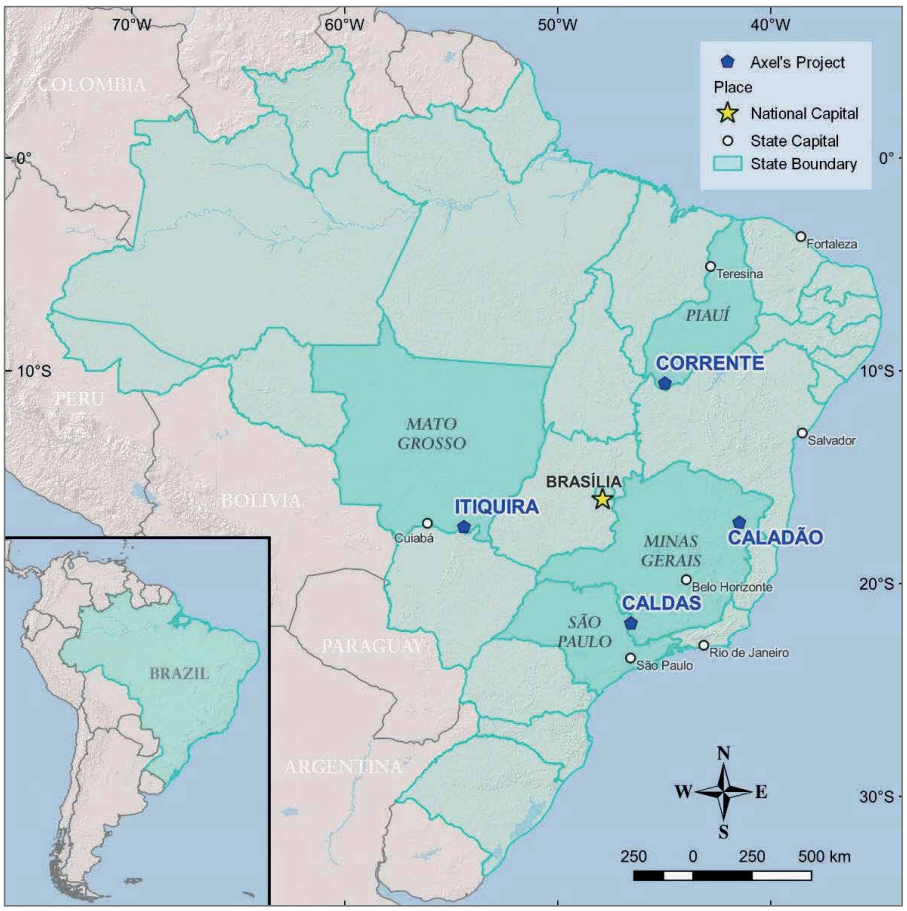
For the purpose of complying with the ASX Listing Rules, SRK is responsible for preparing this IGR as part of the Replacement Prospectus. SRK confirms that it has taken all reasonable care to ensure that the information presented in this IGR is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import and no material change has occurred from the Report's Effective Date of 6 June 2024 that would require any amendment to the IGR.

1.1 Project overview

Axel is focused on exploration for REE across four projects in Brazil, covering a total area of 1,105.16 km^2 (Figure 1-1 and Table 2-1). These projects include:

- The Caladão project, located in the Lithium Valley of the northern Minas Gerais State, comprises 23 granted Exploration Licences and 7 Exploration Licence applications. These licences cover an area of 417.68 km^2.
- The Caldas project, located along the boundary between southern Minas Gerais State and São Paulo State, comprises 24 granted Exploration Licences and 4 Exploration Licence applications. These licences cover an area of 232.36 km^2.
- The Corrente project, located in Piauí State, consists of 3 granted Exploration Licences, covering a total area of 59.32 km^2.
- The Itiquira project, located in Mato Grosso State, comprises 4 granted Exploration Licences, covering a total area of 395.80 km^2.

Figure 1-1: Location map of the Axel rare earth elements projects



Source: ESRI; Axel.

This IGR presents the following technical assessment as at the Effective Date (defined in Section 1.7):

- an overview of the geological setting of the projects and associated known mineralisation
- an outline of the historical and recent exploration work undertaken at the projects
- SRK's opinion on the exploration and development potential for each of the four projects
- SRK's opinion on the reasonableness of Axel's budgeted work programs.

This IGR is intended to properly inform readers of Axel's Replacement Prospectus about the status and exploration potential of Axel's projects and to provide commentary on the Company's proposed future exploration and development programs.

1.2 Reporting standard

The Report has been prepared to the standard of, and is considered by SRK to be, a technical assessment under the guidelines of the VALMIN Code (2015). The Report was prepared by Dr Gavin Chan, with peer review undertaken by Mr Rodney Brown (Authors).

The Authors are Members or Fellows of either the Australian Institute of Geoscientists (AIG) or the Australasian Institute of Mining and Metallurgy (AusIMM) and, as such, are bound by both the VALMIN Code (2015) and the JORC Code (2012). For the avoidance of doubt, this Report has been prepared according to:

- the 2015 edition of the *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets* (VALMIN Code)
- the 2012 edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code).

1.3 Author experience

Details of the qualifications of Gavin Chan and Rodney Brown, who both have extensive experience in the mining industry, are set out below.

Gavin Chan, Principal Consultant (Project Evaluation), BSc, MPhil, PhD (Earth Sciences), FAIG

Gavin Chan has over 20 years of academic and commercial experience in geosciences and has worked on a wide range of commodities from precious metals, base metals, bulk commodities, rare earths and industrial minerals to construction materials in Australia, Asia, Africa, Europe and the Caribbean. Gavin has extensive experience in technical due diligence, technical economic analysis, valuation, fatal flaw and project analysis. He also has prepared public reports for stock exchanges in Hong Kong, Singapore, Indonesia and Australia. Gavin is a Fellow of the AIG and has the appropriate relevant qualifications, experience, competence and independence to be considered a Specialist and Competent Person under the VALMIN Code (2015) and JORC Code (2012) respectively.

Rodney Brown, Principal Consultant (Resource Evaluation), BSc (Geology), Dip (Metallurgy), MGAA, MAusIMM, MAIG

Rodney Brown is a geologist with over 30 years of experience in the mining industry, comprising 20 years in consulting and 10 years in operations. Rodney has experience in a variety of terrains and commodities, including iron ore, gold, bauxite, mineral sands, silver, lead, zinc, copper, molybdenum, manganese, nickel, rare earth elements, and industrial minerals. He has conducted due diligence reviews, orebody modelling, mineral resource and reserve estimation, statistical and geostatistical analyses, and mine geology studies for deposits in a number of regions, including Australia, Africa, Russia, Europe, the Middle East, South America, North America, India, Central Asia, and Southeast Asia. Rodney is highly proficient in various mining related software systems. He also has several years' experience as a metallurgist in the steel industry. Rodney is a Member of the AusIMM and has the appropriate relevant qualifications, experience, competence and independence to be considered a Specialist and Competent Person under the VALMIN Code (2015) and JORC Code (2012) respectively.

1.4 Development status

As per the VALMIN Code (2015), a first draft of the Report was supplied to Axel to check for material error, factual accuracy and omissions before the final report was issued. The final report was issued following review of any comments made by Axel.

As defined in the VALMIN Code (2015), mineral assets comprise all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in relation to the exploration, development of and production from those tenures. This may include plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals relating to that tenure.

For this Report, the mineral assets were classified in accordance with the categories outlined in the VALMIN Code (2015), these being:

- **Early Stage Exploration Projects** – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **Advanced Exploration Projects** – tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **Pre-development Projects** – tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **Development Projects** – tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a pre-feasibility study.
- **Production Projects** – tenure holdings – particularly mines, wellfields and processing plants that have been commissioned and are in production.

SRK considers that the Caladão project is at an Advanced Exploration Stage, with a certain amount of exploration having been conducted, and that targets have been identified. The remaining three projects are at an Early Exploration stage, where only a limited amount of exploration has been undertaken to date, and the presence or absence of mineralisation is yet to be determined.

1.5 Forward-looking statement

Mineral exploration is a high-risk process, particularly during the early phases. It is possible that no materially significant mineralisation exists. Project success can also be impacted by uncertainty in the market, including volatility and variations in commodity prices, which may have either positive or negative impacts.

1.6 Work program

SRK's work program commenced in September 2023, with a technical assessment of material data, including reports sourced from Axel's data room and subscription databases such as S&P Global Market Intelligence database services. Further to this review and assessment, the Report was prepared by SRK.

In accordance with the VALMIN Code (2015) Section 11.1, SRK did not undertake a site inspection to the mineral assets as, in SRK's opinion, a site inspection was unlikely to reveal additional current information that was material to the Report over and above that available in the supplied documentation.

1.7 Effective Date

The Effective Date of this Report is 6 June 2024. The technical information contained in this IGR has been prepared as at the Effective Date.

1.8 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this Report. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions; however, information on the mineral rights applicable to the projects has been provided to SRK by Axel and its legal advisors William Freive Advogados Associado, Belo Horizonte, Brazil.

1.9 Limitations

SRK's opinion contained in this IGR is based on information provided to SRK by Axel throughout the course of SRK's assessment as described in the Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by Axel was taken in good faith by SRK. This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider it to be material.

As far as SRK has been able to ascertain, the information provided by Axel was complete and not incorrect, misleading or irrelevant in any material aspect. Axel has confirmed in writing to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, the information provided by Axel was complete, accurate and true, and not incorrect, misleading or irrelevant in any material aspect.

1.10 Statement of SRK independence

Neither SRK nor the authors of this Report have any material present or contingent interest in the outcome of the Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting the independence of SRK.

As recommended by the VALMIN Code (2015), Axel has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by Axel or not providing material information, or
- which relates to any consequential extension workload through queries, questions or public hearings arising from the Report.

1.11 Practitioner consent

The information in this Report that relates to the technical assessment of Axel's projects is based on, and fairly reflects, information compiled, and conclusions derived, by Dr (Gavin) Heung Ngai Chan. Dr Chan is a Fellow of the AIG and a full-time consultant employed by SRK. Gavin has sufficient experience that is relevant to the technical assessment of the mineral assets under consideration, the styles of mineralisation, the type of deposits under consideration and the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the VALMIN Code, and as a Competent Person as defined in the 2012 edition of the JORC Code.

(Gavin) Heung Ngai Chan consents to the inclusion in the Report the matters based on their information in the form and context in which it appears.

JORC Code Compliance Statement for Exploration Results – Competent Person Consent Statement

The information presented in this Report, including Table 1 of Appendix C, is based on information compiled by Dr Paul Woolrich, Technical Director of the Company, who is a Member of AusIMM. Dr Woolrich is also a director of Foxfire Metals Pty Ltd Foxfire Metals) (who is a party to the asset sale and joint venture agreement with the Company as detailed further in the Replacement Prospectus). Full details of Dr Woolrich's interests in securities of the Company, remuneration payable by the Company and the terms of the asset sale and joint venture agreement to which Axel is a party with Foxfire Metals are set out in the Replacement Prospectus. Dr Woolrich has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Dr Woolrich consents to the inclusion in the Report the matters based on his information in the form and context in which it appears.

1.12 Consulting fees

SRK's estimated fee for completing the Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A$38,000. The payment of this professional fee is not contingent on the outcome of this Report.

2 Overview of Axel

Axel is a mineral exploration company based in Victoria, Australia, with a primary focus on exploring for REE mineralisation in Brazil. Axel has acquired a portfolio of 54 granted Exploration Licences, along with 11 Exploration Licence applications, covering a total area of 1,105.16 km^2. The licences are clustered around four projects in four different states: Caladão (Minas Gerais), Caldas (Minas Gerais and São Paulo), Corrente (Piauí) and Itiquira (Mato Grosso) (Figure 1-1). The target mineralisation is an IAC type REE mineralisation.

The Company's overarching strategy has been to build a portfolio of potentially large-scale, low cost, high value REE projects and then fast track exploration and development. The priority target is the Caladão project, where a recently completed reconnaissance auger drilling program has identified decameter-thick shallow IAC-type REE mineralisation intervals. Axel's focus is to rapidly evaluate these targets by undertaking a two-staged auger drilling program. The entire program will include 2,000 holes for a total of 30,000 m. The objective of the drilling is to define reasonably sized Mineral Resources.

The next target is the Caldas project. A recent surface sampling program by Axel, together with recent discoveries in the area by other companies has underscored the significant potential of IAC-type REE mineralisation associated with an alkaline complex. To assess these targets, Axel plans to undertake a comprehensive evaluation, including surface sampling, coupled with geophysical surveys and reconnaissance auger drilling.

Systematic evaluation of REE potential will be carried out at the Corrente and Itiquira project areas, involving surface sampling and geophysical surveys. Follow-up diamond drilling will also be conducted to test the potential targets.

2.1 Tenure in Brazil

The legal framework for Mineral Resource development in Brazil is governed by the Brazilian Federal Constitution, enacted on 5 October 1988, and the Brazilian Mining Code, enacted on 29 January 1940. According to the Constitution, Mineral Resources are owned by the Federal Government, while mining companies hold complete ownership of extracted minerals under their concessions. Mineral rights fall under federal jurisdiction, and mining legislation is enacted at the federal level. Companies seeking mineral rights must be incorporated in Brazil, have their management based in the country, and establish their head office and administration there.

Foreign investment in the Brazilian mining industry is generally unrestricted, except for activities within a 150 km wide strip of land along the terrestrial borders. In these cases, majority Brazilian ownership is required for equity interests in mining companies. Exploration and mining activities within the border zone are regulated by the Brazilian Mining Code and supporting laws.

2.1.1 Status of tenure

The project comprises 54 granted Exploration Licences and 11 Exploration Licence applications, covering a total area of 1,105.16 km^2. A summary of the tenure holdings is provided in Table 2-1, with detailed information tabulated in Appendix A.

Table 2-1: Tenure summary

Project	State	Exploration permit	Area (km^2)	Exploration permit application	Area (km^2)	Total area (km^2)
Caladão	Minas Gerais	23	343.25	7	74.43	417.68
Caldas	Minas Gerais, São Paulo	24	220.93	4	11.43	232.36
Corrente	Piauí	3	59.32			59.32
Itiquira	Mato Grosso	4	395.80			395.80
Total		**54**	**1,019.30**	**11**	**85.86**	**1,105.16**

Notes:

[1] Area provided by Axel and spot-checked on ANM Online Mining Registry (sistemas.anm.gov.br/admin/) and SIGMINE Online Mining GIS system (geo.anm.gov.br).

[2] SRK has not conducted any legal due diligence on the status of the tenements and is not appropriately qualified to comment on the legal aspects associated with tenure.

2.2 Rare earth elements

REE consist of a group of 17 elements, including 15 lanthanides – lanthanum (La) to lutetium (Lu) – as well as yttrium (Y) and scandium (Sc). Table 2-2 shows the REE and their typical application.

Table 2-2: Rare earth elements and their application

Group	SI symbol	Element	Atomic number	Application
LREE	La	Lanthanum	57	Batteries, catalysts for petroleum refining
	Ce	Cerium	58	Autocatalysis, chemical catalyst, glass polishing, metal alloys
	Pr	*Praseodymium*	*59*	*High power magnets, yellow ceramic pigment*
	Nd	*Neodymium*	*60*	*High power magnets*
	Pm	Promethium	61	Beta radiation source
	Sm	Samarium	62	High temperature magnets
	Eu	Europium	63	Fluorescent lighting
HREE	Gd	Gadolinium	64	Magnetic resonance imaging contrast agent, nuclear reactor rods
	Tb	*Terbium*	*65*	*Phosphors for lighting; high power, high temperature magnets*
	Dy	*Dysprosium*	*66*	*High power, high temperature magnets, lasers*
	Ho	Holmium	67	Highest power magnets in existence
	Er	Erbium	68	Lasers, glass colourant
	Tm	Thulium	69	Ceramic magnetic materials which are still under development
	Yb	Ytterbium	70	Fibre optic technology, solar panels
	Lu	Lutetium	71	Positron emission tomography scanners
	Y	Yttrium	39	Phosphors, ceramics, metal alloys

Source: Hoshino et al. (2016); SRK

Note: Scandium is not included. REE used in magnet production are shown in italic.

REE are commonly divided into two groups: light and heavy. Light REE (LREE: La–Eu) and heavy REE (HREE: Gd–Lu and Y). Scandium does not fit into either group and is unclassified. HREE are less common and consequently more expensive. Praseodymium (Pr), neodymium (Nd), terbium (Tb) and dysprosium (Dy) are used in the production of high-power magnets. These four REE are commonly referred as magnet related REE (MREE) in the industry.

REE are incompatible because they tend to concentrate in the residual melt during the formation of igneous rocks. Unlike other elements, REE are more likely to be excluded from solidifying minerals and remain in the remaining liquid. As a result, they become enriched in the residual melt, leading to the formation of concentrated REE-rich mineral deposits. LREE are more incompatible than HREE.

REE have wide-ranging applications across various industries, including automotive, energy and renewables, and glass. In the automotive sector, REE are extensively utilised in permanent magnets in both conventional and electric vehicles for diverse purposes. They are integral to high-performance motors, actuators, speakers, hard drives, sensors, and various other applications. In the energy and renewables industry, elements like La and Ce play a vital role in fluid catalytic cracking unit catalysts, enhancing the conversion of feedstock into valuable products such as gasoline. Rare earth permanent magnets are widely employed in offshore wind turbines. Additionally, REE oxides serve multiple functions in the global glass industry, enabling specific functionalities. Furthermore, rare earth compounds are utilised for glass polishing, delivering a rapid and superior finish.

In 2022, magnet production represented the largest market for REE in terms of volume, followed by glass and catalysts. Magnets also dominated in terms of market value, with a share of 74%. Among the individual REE, Ce, La, and Nd held the top three positions in terms of volume. However, in terms of market value, Nd, Pr, Dy, and Tb, collectively known as MREE, accounted together for a substantial 96% of the market (S&P Market Intelligence, accessed on 28 September 2023).

2.3 Brazil rare earth elements mineralisation

Brazil and Russia are both ranked as the third largest countries globally in terms of REE resources in 2022 (USGS, 2023). Both countries are reported to host 21 Mt of REE resources. China and Vietnam, the first and second largest countries, host 44 Mt and 22 Mt of resources respectively.

In 2022, China-based production held the dominant position in global REE production, accounting for 78% of the market share. The United States' Mountain Pass project followed with a share of 15%, while Australia's Mt Lynas contributed 6% to global production. The remaining 1% of production came from various other projects worldwide, including those in Myanmar, India, Malaysia and elsewhere (S&P Market Intelligence, accessed on 28 September 2023).

In Brazil, primary REE mineralisation is predominantly associated with carbonatite and granitic rocks. Economic deposits are concentrated through secondary processes including weathering, ionic adsorption and sedimentation (Figure 2-1) (Takehara et al., 2016).

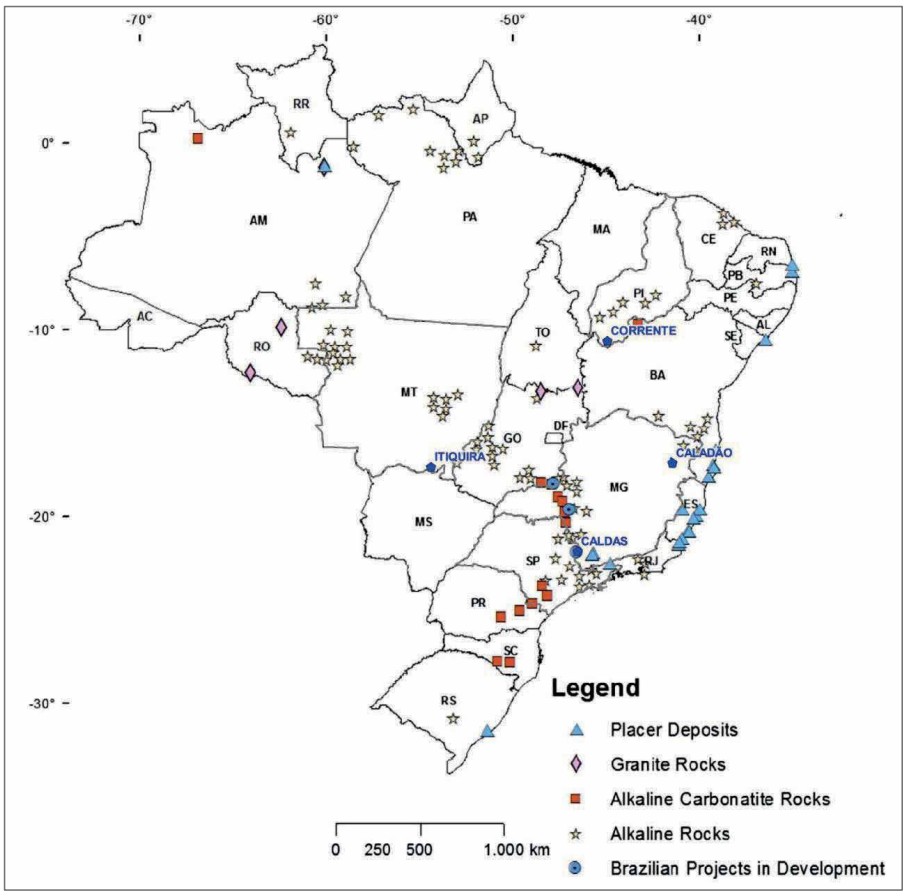
This section provides an overview of the two main types of REE mineralisation found in Brazil: alkaline-carbonatite type and IAC type (Table 2-3). These two mineralisation styles are also the specific targets of Axel's projects. Placer deposits are found along the coast of Brazil but will not be discussed in detail this section.

Table 2-3: Axel – target rare earth element mineralisation

Project	States	Target commodities	Target mineralisation style
Caladão	Minas Gerais	REE	IAC
Caldas	Minas Gerais, São Paulo	REE	IAC
Corrente	Piauí	REE	Alkali-carbonatite
Itiquira	Mato Grosso	REE/lithium	Alkali-carbonatite

Source: Axel

Figure 2-1: Key types of rare earth element mineralisation in Brazil and the locations of Axel's projects



Source: Modified after Takehara et al. (2016)

2.4 Alkaline carbonatite

Alkaline-carbonatite deposits are the most common type of REE mineralisation. They are found in various locations globally, including Mountain Pass (United States), Bayan Obo and Maoniuping (China), and Mount Weld (Australia). These deposits contain minerals like bastnaesite, synchysite, monazite, and apatite, which are rich in REE (Hoshino et al., 2016).

In Brazil, alkaline-carbonatite complexes are commonly found along the borders of the Parana, Amazonas, and Paranaiba basins, associated with fracture zones (Takehara et al., 2016) (Figure 2-2). These complexes formed at different times, ranging from the Cretaceous to the Lower Tertiary period, with formations in the Amazon region dating back to the Neoproterozoic to the Cambrian periods.

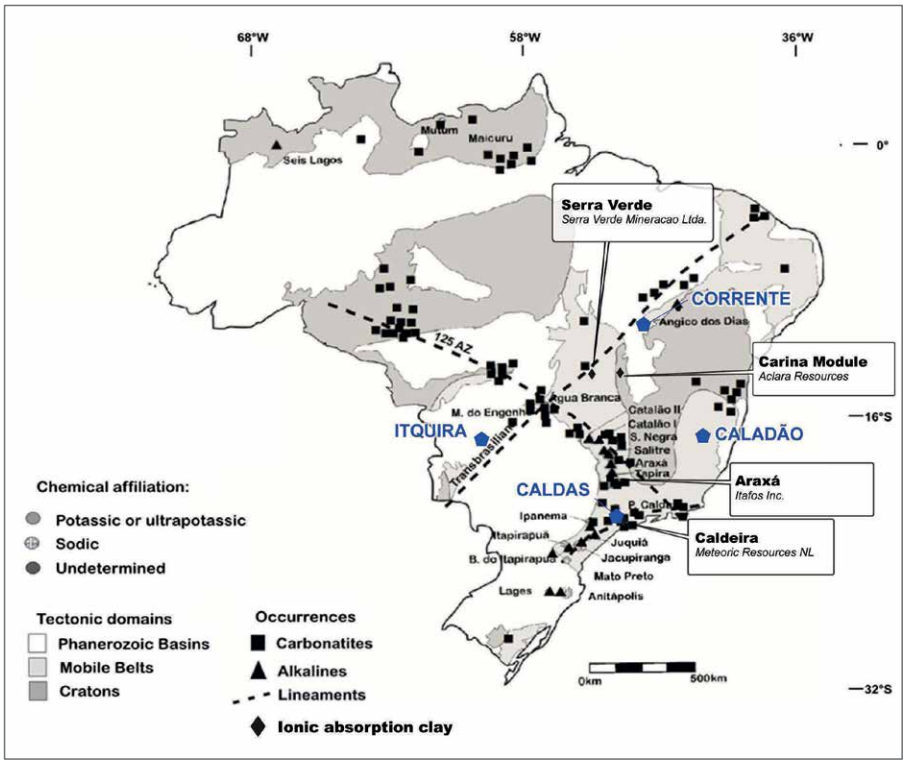
Alkaline-carbonatite complexes typically have circular structures and radial drainage patterns. These features can be identified using remote sensing images due to their unique composition and geophysical signatures. The presence of a tropical weathering regime, combined with the drainage system, leads to the formation of a thick weathering profile, with depths exceeding 250 m in some cases, such as the Araxá Complex (Takehara at el., 2016; Wang et al., 2020). The significant weathering profile plays a crucial role in the formation of economically valuable deposits through processes such as concentration by weathering and the formation of new ore minerals. These deposits include minerals like bauxite, apatite, niobium minerals, titanium minerals, barite, magnetite, vermiculite, fluorite, and REE minerals like monazite.

In Brazil, the largest REE deposit associated with carbonatite is the Araxá deposit in Minas Gerais State. It is owned by Companhia Brasileira de Metalurgia (CBMM), the world's largest niobium producer (Figure 2-2). The Barreiro Carbonatite Complex, which formed around 90 million years ago, contains primary REE ore minerals like monazite associated with niobium and phosphorus ores. These ore minerals are least resistant to weathering and are concentrated through the weathering process. CBMM is currently working on projects to recover and produce REE as a by-product of its niobium operations. In the same area, Itafos Inc. is developing an REE deposit, also known as Araxá. Other examples of REE mineralisation associated with alkaline-carbonatite deposits include Barra do Itapirapuã, Catalão I and Catalão II, Morro dos Seis Lagos, and Poços de Caldas in Brazil.

The origin of alkaline-carbonatite REE deposits is still debated (Wang et al., 2020). One theory suggests that carbonatite magma originates from the upper mantle through partial melting, followed by the separation of carbonate-silicate magma and the crystallisation of carbonate minerals, leading to the enrichment of REE. Another hypothesis involves the subduction of crustal sediments enriched in REE into the mantle, resulting in partial melting and the formation of carbonatite-related REE deposits near orogenic belts. In both cases, the migration and precipitation of REE within the magmatic-hydrothermal system are influenced by changes in temperature, pressure, pH, and fluid composition (Figure 2-3). The complex behaviour of REE in these systems leads to their concentration and deposition in specific minerals associated with alkaline-carbonatite deposits. Primary minerals such as apatite, pyrochlore, zircon, monazite, and calcite are commonly associated with REE mineralisation in alkaline rocks. Additionally, residual and secondary minerals like pyrochlore, apatite, rhabdophane, and iron hydroxides can also host REE (Hoshino et al., 2016). The REE mineralisation associated with alkaline-carbonatite complexes tends to be enriched in light rare earth elements (LREE) except for those deposits with apatite ores, which are relatively enriched in heavy rare earth elements (HREE).

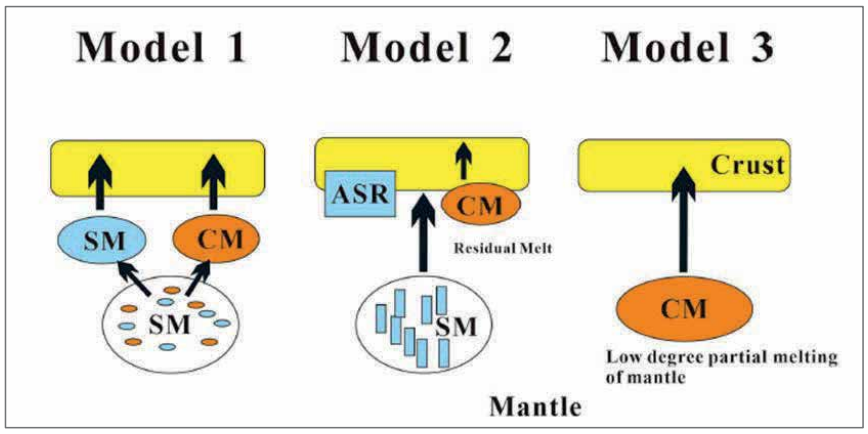
In South Africa, the pipe-shaped Palaeoproterozoic Palabora Carbonatite Complex intruded into Archean basement rocks, comprising of granitoids, gneiss, amphibolities and talc-serpentinite schist. The Complex spans 6.5 km long and ranges in width from 1.5–3.5 km, consisting of three major lobes, known as the Northern Pyroxenite, Loolekpo and Southern Pyroxenite. The REE mineralisation associated with the Complex is interpreted to have formed through multiple stages, including orthomagmatic, late-magmatic, sulfide and post magmatic phases. Certain REE deposits tend to exhibit spatial concentration along the peripheries of these lodes (Decree et al., 2020; Giebel et al., 2017).

Figure 2-2: Alkaline-carbonatite rare earth element mineralisation and its relationship with Phanerozoic margin basins



Source: modified after Takehara et al. (2016); S&P Global

Figure 2-3: Model of alkaline-carbonatite rare earth element mineralisation



Source: Wang et al. (2020)

2.4.1 Ionic adsorption clay

IAC type deposits are categorised as weathering deposits, but they differ from the weathered carbonatite deposits (discussed in the previous section) or placer deposits. REE are primarily present in the ion-exchangeable phase of weathered granite and are weakly absorbed onto clay minerals (mainly kaolinite and halloysite) or incorporated into specific mineral structures that have ion-exchange capabilities. In residual deposits, REE are found in residual minerals such as monazite and zircon, which are resistant to chemical weathering. These minerals remain intact during the weathering process and retain the REE within their structures (Borst et al., 2020).

To extract the REE from IAC ores, a bulk-leaching process is employed. This involves using a diluted ammonium sulfate solution at ambient temperature to perform ion exchange and recover the REE either through in situ or heap leaching. This method allows for the mining of relatively low-grade ores (500–2,000 ppm TREO), although there are challenges related to the potential pollution of groundwater systems via the in situ leaching method (Borst et al., 2020).

The majority of economically exploited IAC deposits are found in southern China, where REE are hosted in the weathered crusts of predominantly granitic bedrock. These deposits contribute to approximately 80% of global HREE supplies (Hoshino et al., 2016). More recently, IAC REE production has also been reported in countries such as Myanmar, Malaysia, and Laos. Additionally, there are ongoing projects in development in countries like Malawi, Madagascar and Uganda (S&P Global Intelligence 2023, accessed on 28 September 2023).

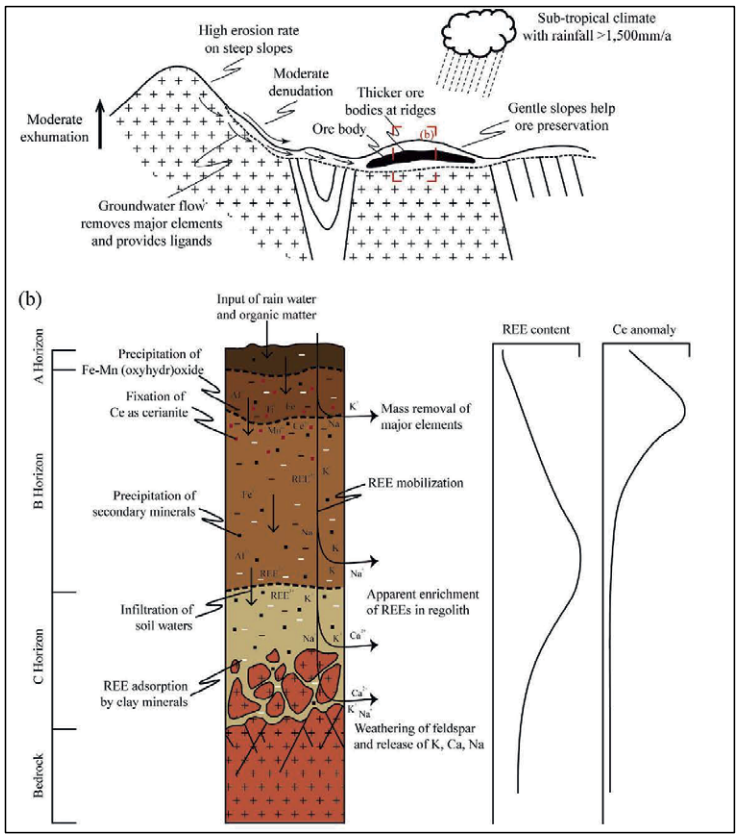
In Brazil, the Serra Verde project in Goiás State commenced commercial production at the end of 2023 (Figure 2-2). The Carina Module deposit is located in the same state and was formed during deep weathering of the Serra Dourada A-type granite. Prior to the weathering event, the primary granite experienced alteration by F-CO_2-alkali-rich hydrothermal fluids. The primary apatite-allanite-titanite REE assemblage was altered to a secondary fluorocarbonate-niobiate-phosphate-fluorite assemblage. During this process, Nb, Ta, Ga, and, most importantly HREE, were enriched around the outer layer of the granite pluton (Herrington et al., 2019).

During the Cretaceous-Paleogene period, most of the REE were adsorbed onto clay minerals, along with less common fine-grained secondary REE-minerals. Another significant development is the Calderia project, owned by Meteoric Resources (Meteoric), which announced a maiden resource estimate of 409 Mt at a much higher average grade of 2,626 ppm TREO in May 2023 (Meteoric Resources, 2023). Other granite related projects include Pitinga (Amazonas) and Minacu and Montivido do Norte (Goias).

The parent rocks of the IAC deposits primarily consist of biotite granite, muscovite-biotite granite, muscovite granite and, to a lesser extent, volcanic rocks such as rhyolite. These rocks are associated with subduction-related or extensional intraplate magmatism. The parent granites hosting REE deposits are rich in mica and characterised by a high silica content (>70% SiO_2) and low phosphorus content (<0.08% P_2O_5). Among these, the highly differentiated muscovite granites (with SiO_2 >~75%) exhibit enrichment in HREE and contain occurrences of fluorite and hydrothermal REE-bearing minerals, including REE fluorocarbonates. The magmatic minerals allanite and titanite either undergo alteration to form hydrothermal REE-bearing minerals or are extensively weathered during the process (Sanematsu and Watanabe, 2016).

The adsorption and desorption processes of REE are influenced by the fluids in the lateritic profile environment, contributing to REE fractionation and enrichment. The chemical behaviour of both clays and REE favours a higher proportion of REE being retained in the clay-rich layer. Typically, IAC REE are concentrated in the moderately weathered zone, immediately above the saprolite zone (Figure 2-4). The HREE enrichment in the clay horizon is three times higher compared to the biotite granite rock (Sanematsu and Watanabe, 2016).

Figure 2-4: Generic model of ionic adsorption clays rare earth element mineralisation



Source: modified after Li (2017)

2.4.2 Nomenclature

Rare Earths oxide (REO) contents are mentioned throughout this report. To ensure clarity, the definitions of different types of REO are given as follows:

- TREO represents total rare earth oxides and encompasses the sum of all oxides of all rare earth elements (lanthanum – La to lutetium – Lu) and yttrium (Y).
- LREO represents light rare earth oxides and includes the sum of all oxides of the light rare earth elements (lanthanum – La to europium – Eu).
- HREO represents heavy rare earth oxides and includes the sum of all oxides of the heavy rare earth elements (gadolinium – Gd to lutetium – Lu) and yttrium (Y).
- MREO represents rare earth elements used in magnet production and includes the sum of oxides of four specific rare earth elements, namely praseodymium (Pr), neodymium (Nd), dysprosium (Dy) and terbium (Tb).

3 Rare earth element projects

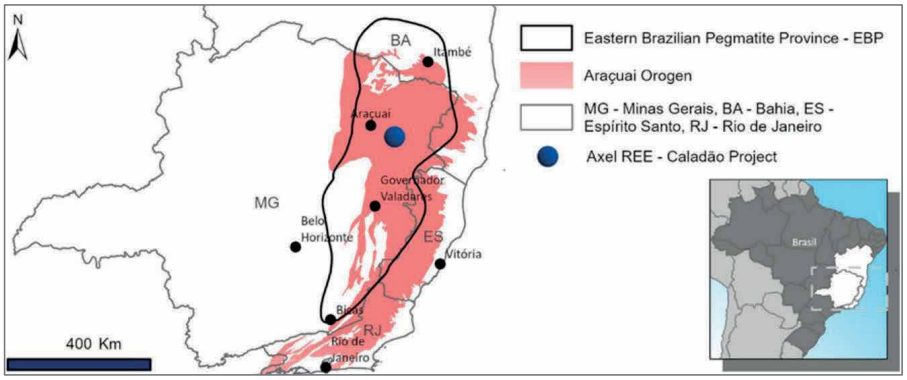
3.1 Caladão

3.1.1 Location and access

The Caladão project is situated in the northeastern part of Minas Gerais State, specifically in the Municipality of Padre Paraíso. It is located approximately 136 km southeast of Aracuai and 450 km northeast of Belo Horizonte, the capital of Minas Gerais (Figure 3-1).

The Project benefits from a well-developed public and private road network due to its proximity to National Road 342. It is easily accessible throughout the year via a network of arterial and backcountry service roads.

Figure 3-1: Caladão project located within the Eastern Brazilian Pegmatite Province



Source: Modified after Pedrosa-Soares et al. (2009)

3.1.2 Physiography, climate and vegetation

The climate in the region is dry, semi-arid, and hot, with an average temperature of 24.5°C and an annual average rainfall of 750 mm. The dry season, particularly in June, is notably arid, while November has the most precipitation. There is no distinct cold season in the region.

The topography of the project area is gently rolling hills with minimal elevation differences of less than 100 m. The hilltops are covered by an alluvium layer that can be up to 5 m thick. However, the hill slopes frequently expose bedrock in the absence of alluvium.

Except in areas cleared for agriculture, the natural vegetation in the project area is primarily thick thorn scrub and medium-sized trees. The hilltops have typical savannah grassland characteristics.

Exploration activities can be carried out throughout the year in the region.

3.1.3 Tenure

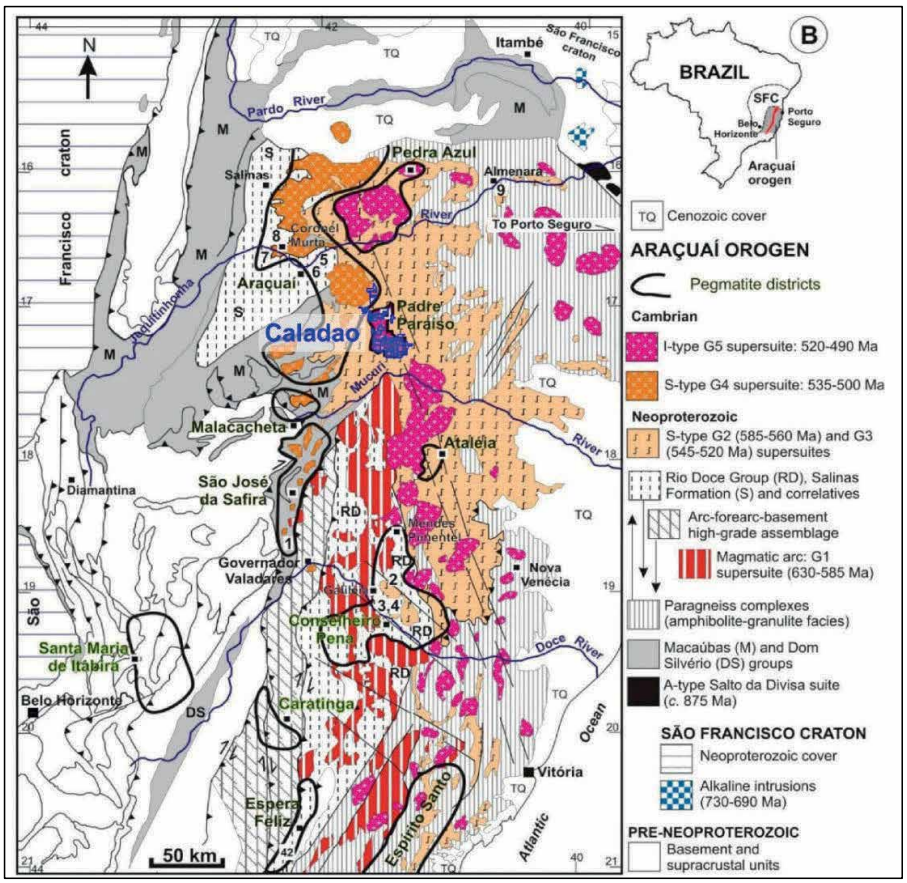
The Caladão project consists of 23 Exploration Licences and 7 Exploration Licence applications, covering a combined area of approximately 417.68 km^2. The licences are held by Axel REE Limited (a wholly owned subsidiary of Axel), Foxfire Metals Ltd and Lobo Guara Mineracao e Representacao Eireli (Appendix A).

3.1.4 Geological setting

The project area is situated within the Eastern Brazilian Pegmatite Province (EBP), commonly known as the 'Lithium Valley' which covers a vast region of approximately 150,000 km^2 across the states of Bahia, Rio de Janeiro and Minas Gerais, with the majority of EBP falling within the eastern part of Minas Gerais State (Pedrosa-Soares et al., 2009) (Figure 3-1). The EBP hosts some of the key lithium producers and explorers in Brazil, including Sigma Lithium Resources, Lithium Ionic and Latin Resources. The lithium mineralisation is associated with pegmatites, which are coarse-grained igneous rocks that form from the latter stages of magma crystallisation. Due to this late-stage crystallisation, they often concentrate rare elements, making them potential hosts for both lithium and REE. Lithium typically occurs in minerals like spodumene, lepidolite, and petalite, while REE can be found in minerals such as monazite and xenotime.

The pegmatite swarm in the region is associated with the Neoproterozoic Araçuaí orogeny. The granitic rocks that formed during this orogeny have been classified into five distinct supersuites, known as G1, G2, G3, G4, and G5. These granitic intrusions are believed to have formed during a collisional event associated with the Gondwana Supercontinent (Trans-Amazonian event). The ages of the granite supersuites range from pre-collisional (G1 at 630–585 Ma) to post-collisional (G4 and G5 at 535–490 Ma). The pegmatite swarm is interpreted to be associated with the G4 supersuite (Pedrosa-Soares et al., 2009). Axel's tenements mostly overlie the Cambrian I-type granite of the G5 supersuite (Figure 3-2).

Figure 3-2: Regional geology of the Eastern Brazilian Pegmatite Province



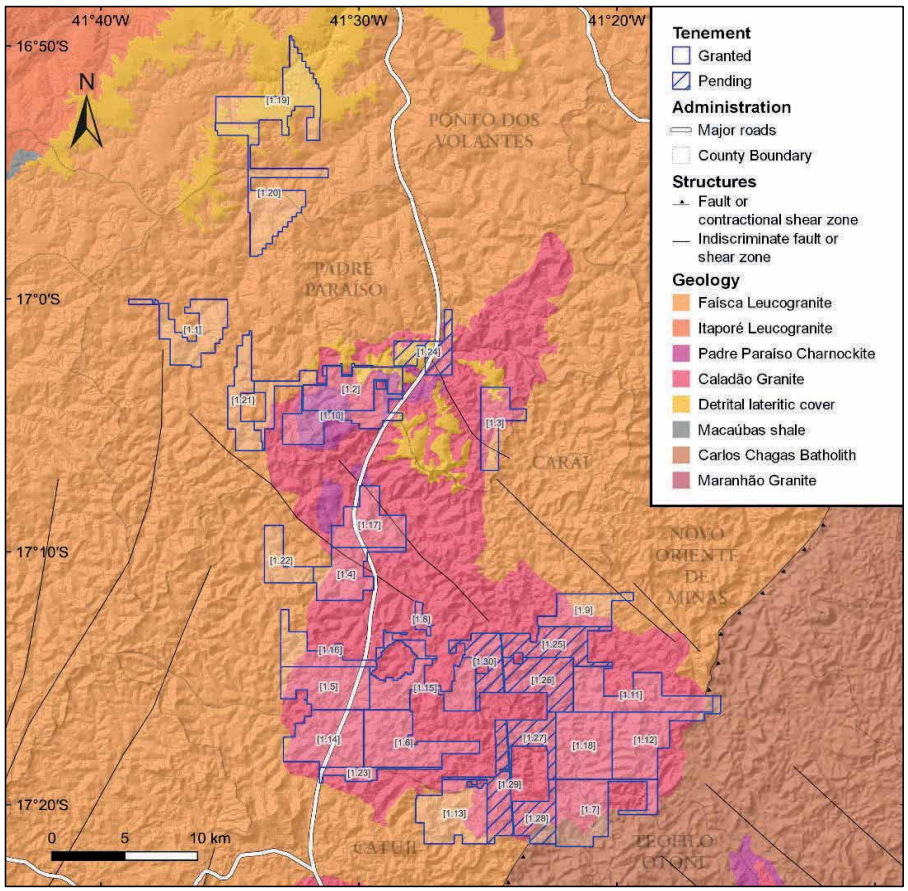
Source: Modified after Pedrosa-Soares et al. (2009)

Note: Caladão licences (outlined in blue) are clustered around the Padre Paraso Municipality.

3.1.5 Local geology and mineralisation

Figure 3-3 shows the geological map of the Caladão project area. Most of the tenements are underlain by the Caladão granite and, to a lesser extent, by the Faísca leucogranite.

Figure 3-3: Geological map of the Caladão project area



Source: Geological Survey of Brazil (CPRM); Axel

Note: Axel owns 100% of the REE and other mineral rights (excluding lithium) for 1.2 (831458/2020), 1.3 (831524/2020) and 1.24 (831515/2020), while the licence holders are Foxfire Metals Limited and Lobo Guara Mineracao e Representacao Eireli, respectively. Details of tenure information are shown in Appendix A.

3.1.6 Exploration

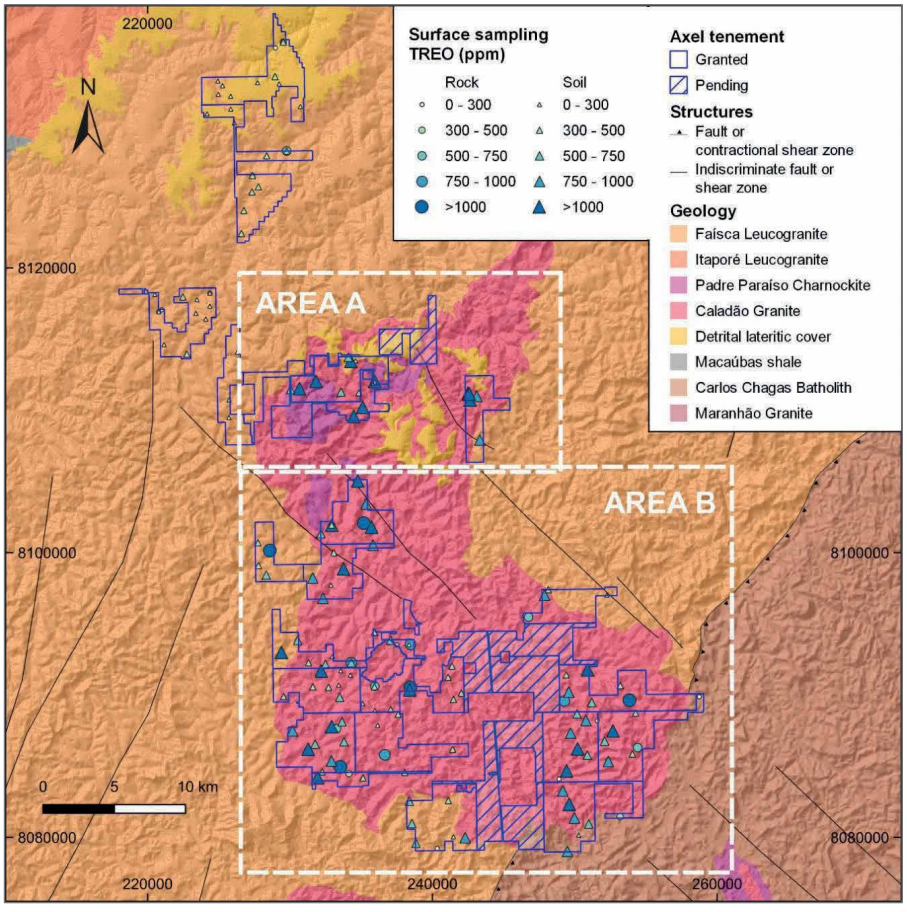
During March to July 2023, Axel conducted reconnaissance soil sampling coupled with geological mapping across the majority of its tenement holdings in the area. These samples encompassed soil from the saprolite zone and the overlying weathered units. The samples were assayed at the SGS Geosol Laboratory using inductively coupled plasma mass spectrometry (ICP-MS) for REE and other elements.

The results presented in Figure 3-4 and Table 3-1 show that areas underlain by the Caladão granite – specifically in two distinct regions, known as Area A and Area B, spanning 25 km along strike – displayed elevated values.

Of the 137 soil samples assayed, the analysis yielded the following results:

- The maximum and minimum TREO contents reached 3,547 ppm and 65 ppm, respectively.
- Individual samples attained maximum values of 3,085 ppm LREO, 470 ppm HREO and 1,300 ppm MREO (1,234 ppm Nd_2O_3 + Pr_6O_{11} and 67 ppm Dy_2O_3 + Tb_4O_7).
- The average values of all samples were 683 ppm TREO, 603 ppm LREO and 80 ppm HREO.
- The average MREO value of all samples was 137 ppm MREO (127 ppm Nd_2O_3 + Pr_6O_{11} and 10 ppm Dy_2O_3 + Tb_4O_7).

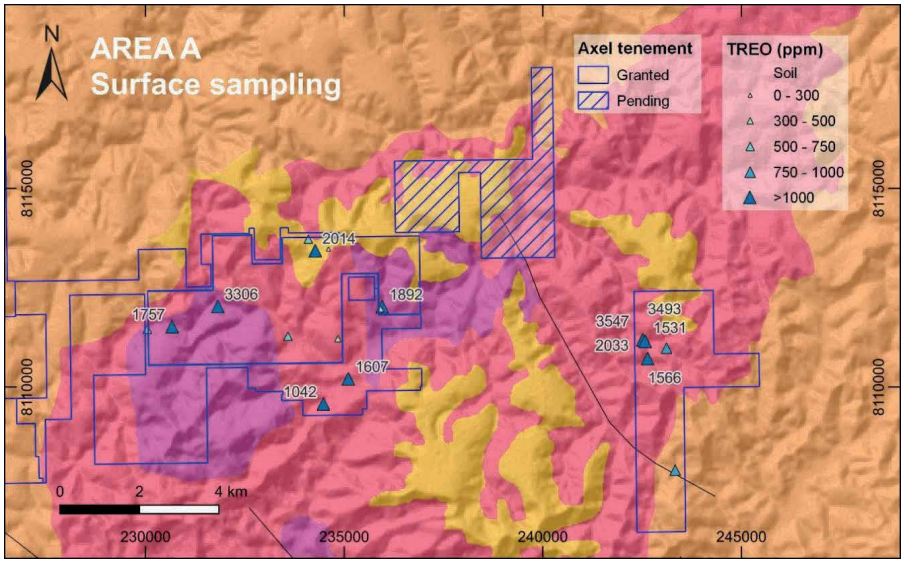
Figure 3-4: Soil and rock chip sampling program in Area A and Area B



Source: Axel

In Area A, the soil sample results span from 227 ppm to 3,547 ppm TREO with an average of 1,520 ppm TREO (Figure 3-5 and Table 3-1).

Figure 3-5: Area A soil sampling results



Source: Axel

Notes:

[1] Coordinate system WGS 84/UTM zone 24S.

[2] Assays with TREO >1,000 ppm (0.1%) are labelled.

Table 3-1: Area A soil sampling results

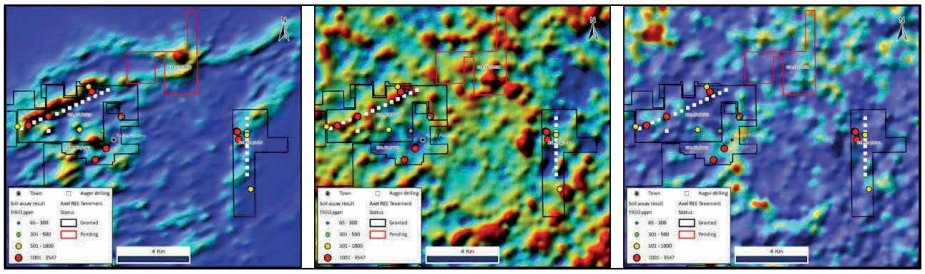
		No. of samples	TREO (ppm)	LREO (ppm)	HREO (ppm)	MREO (ppm)	Nd_2O_3 + Pr_6O_{11} (ppm)	Dy_2O_3 + Tb_4O_7 (ppm)
Soil	Minimum	19	227	195	31	42	39	3
	Average		1,520	1,348	172	364	343	21
	Maximum		3,547	3,085	470	1,300	1,234	67

Source: Axel

Note: Refer to Section 2.4.2 for definitions of TREO, LREO, HREO and MREO. Discrepancies in totals may occur due to rounding.

Following the encouraging results from surface sampling, a follow-up auger drilling program was conducted in Area A in August 2023. The objective of the program was to assess the nature of the potential IAC REE mineralisation. A total of 23 auger holes were drilled along two traverses on aeromagnetic anomalies (Figure 3-6), coincident with some of the surface sample anomalies. The auger drill holes had an average depth of 13 m, and equated to a total of 299 m (Appendix B). The drill holes were spaced approximately 400 m apart. A total of 157 samples, mostly 2 m samples, were prepared and assayed at the SGS Geosol Laboratory. The samples underwent sodium peroxide fusion with ICP-AES and ICP-MS finishes to analyse for 55 elements. The results of the analysis were received in October 2023. The most significant intercepts are tabulated in Table 3-2.

Figure 3-6: Auger drill holes (from left to right) over aeromagnetic analytical imaging, radiometric (thorium) and radiometric (potassium)



Source: Axel

Table 3-2: Significant intercepts from the auger drilling program in Area A (TREO >1,000 ppm)

Hole ID	From (m)	To (m)	Interval (m)	TREO (ppm)	LREO (ppm)	HREO (ppm)	MREO (ppm)	Nd_2O_3 + Pr_6O_{11} (ppm)	Dy_2O_3 + Tb_4O_7 (ppm)
CLD-AUG-005	0	10	10	3,012	2,727	284	742	709	33
CLD-AUG-008	0	4	4	1,250	1,183	68	136	129	7
	6	14	8	2,835	2,399	437	810	924	55
CLD-AUG-010	8	13	5	1,383	1,303	80	236	228	9
CLD-AUG-011	6	10	4	1,136	1,109	28	48	44	3
CLD-AUG-016	2	9	7	1,616	1,534	82	256	246	10
CLD-AUG-018	0	6	6	1,610	1,413	197	359	337	22
CLD-AUG-019	0	10	10	2,423	2,176	247	708	682	26
CLD-AUG-020	2	6	4	1,082	1,040	43	63	58	5
	8	16	8	2,303	2,156	147	445	430	15
CLD-AUG-021	0	4	4	1,806	1,733	73	142	134	8
	6	12	6	2,152	1,902	250	615	587	28
CLD-AUG-022	0	12	12	1,449	1,335	114	228	216	12
CLD-AUG-023	10	17	7	1,630	1,576	54	160	154	6
CLD-AUG-025	8	10	2	1,330	1,229	101	173	162	11
	12	14	2	7,612	6,023	1,589	2,895	178	38
CLD-AUG-026	2	8	6	2,042	1,700	342	561	521	40
CLD-AUG-027	4	6	2	1,034	964	70	183	175	9
	8	13	5	2,067	1,868	199	454	428	26
CLD-AUG-028	2	20	18	2,678	2,432	247	704	676	27

Source: Axel; compiled by SRK

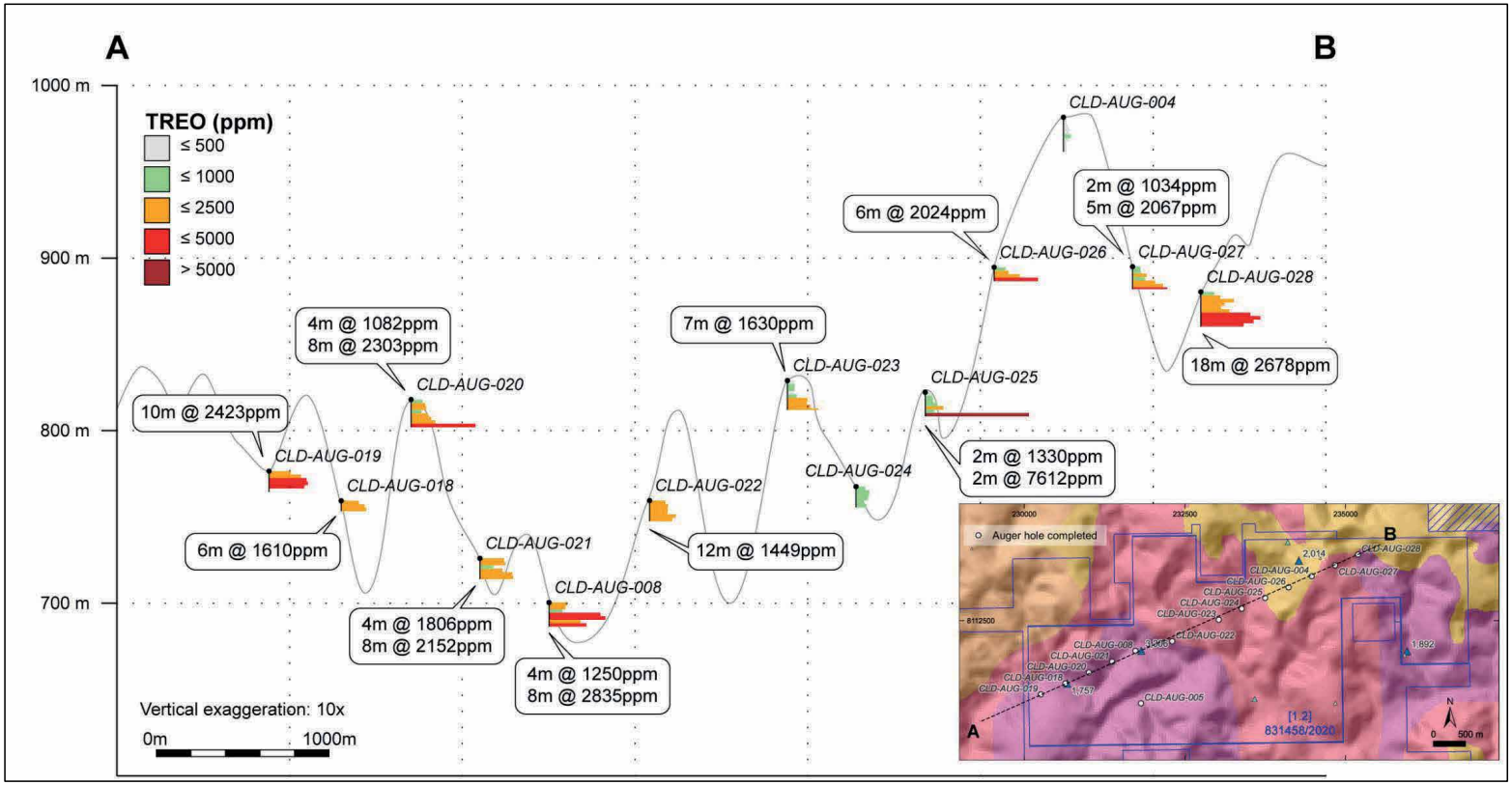
Note: Refer to Section 2.4.2 for definitions of TREO, LREO, HREO and MREO. Discrepancies in totals may occur due to rounding.

Figure 3-7 and Figure 3-8 show the cross sections along the A–B transect and C–D transect respectively. The auger holes along the transect are shallow and are widely spaced. To enhance the clarity of presentation, a 10-times vertical exaggeration has been applied to the cross section. An approximate topography outline has also been included.

The most significant intervals include a 10 m interval from the surface (CLD-AUG-005) with concentrations of 3,012 ppm TREO, 2,727 ppm LREO, and 284 ppm HREO. The concentration of MREO in this interval reached 742 ppm (709 ppm Nd_2O_3 + Pr_6O_{11} and 33 ppm Dy_2O_3 + Tb_4O_7). Another 10 m interval is presented for CLD-AUG-019, with 2,423 ppm TREO, 2,176 ppm LREO and 247ppm HREO, of which the MREO contents yielded 708 ppm (682 ppm Nd_2O_3 + Pr_6O_{11} and 26 ppm Dy_2O_3 + Tb_4O_7). Other noticeable intervals are an 8 m interval with 2,835 ppm TREO (CLD-AUG-008), an 8 m interval with a TREO content of 2,303 ppm (CLD-AUG-020) and an 18 m interval with 2,678 ppm TREO (CLD-AUG-018). Some of these holes also ended in mineralisation.

From top to bottom, there is an apparent trend, showing an increase in cerium content preceding the occurrence of REE mineralisation (Figure 3-9). It seems that mineralisation does not concentrate on topographic highs (e.g. CLD-AUG-004) but instead forms along low-lying ridges or slopes, where the impact of erosion is less pronounced. This observation aligns with what has been previously documented in public literature (Figure 2-4)(Li et al., 2017).

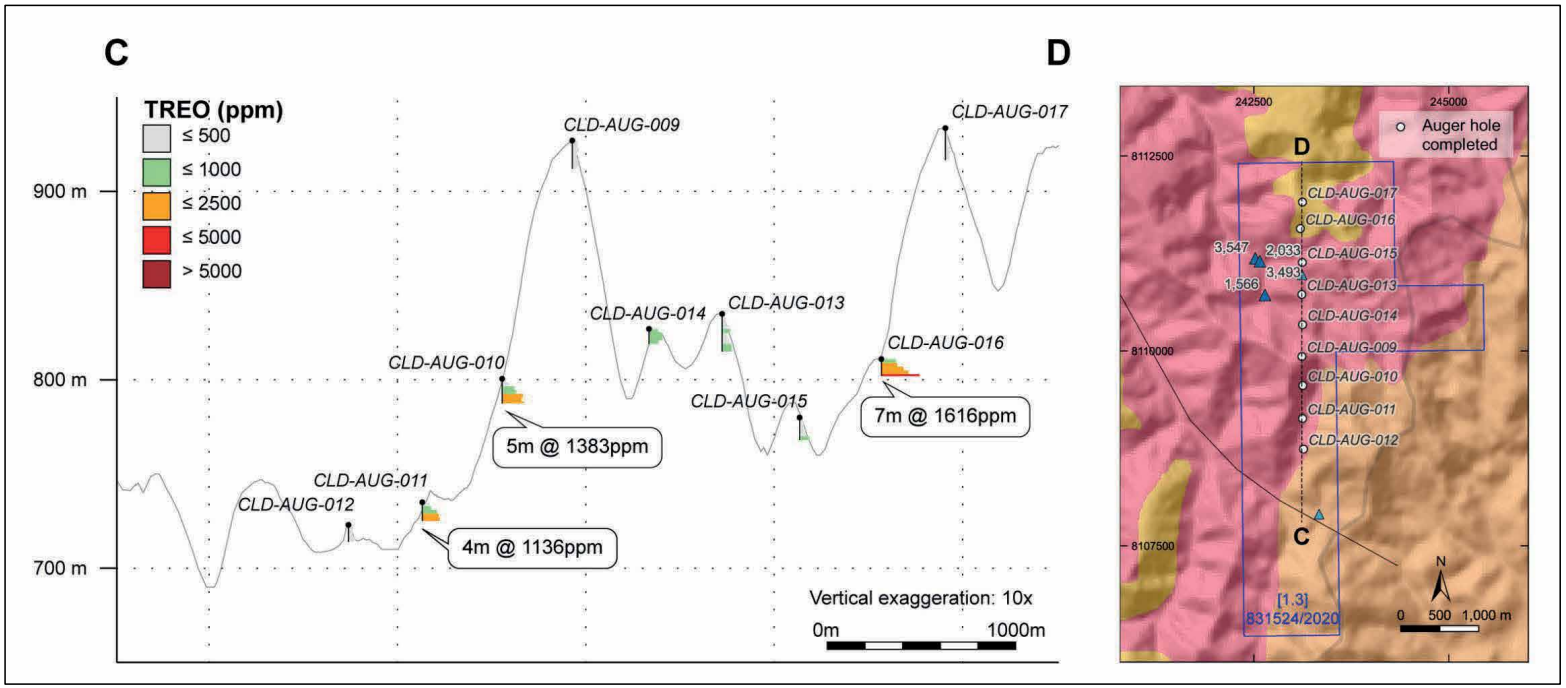
Figure 3-7: Cross section along the A–B transect



Source: SRK

Note: Topography outline is obtained from open source and is not accurate.

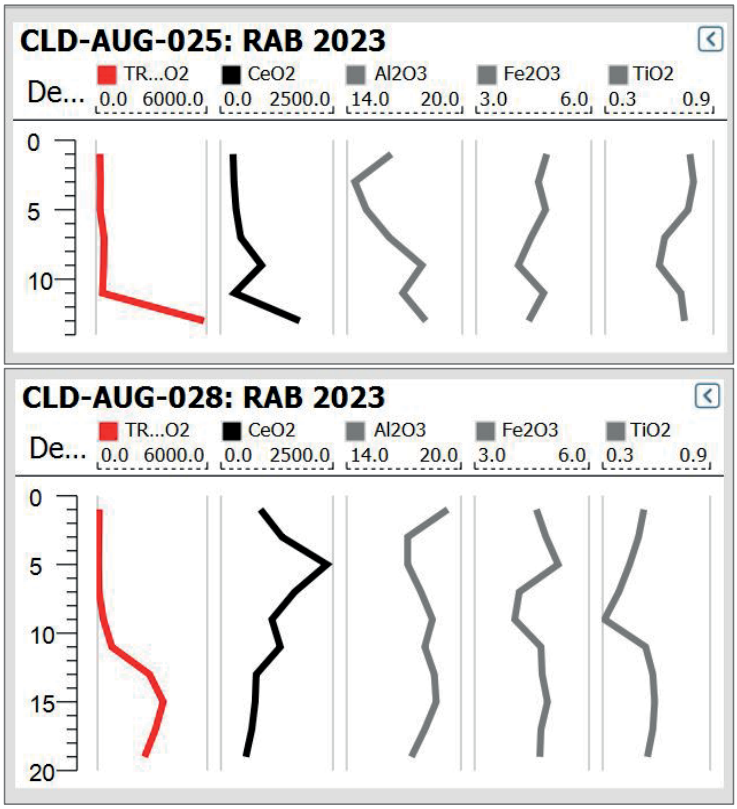
Figure 3-8: Cross section along the C–D transect



Source: SRK

Note: Topography outline is obtained from open source and is not accurate.

Figure 3-9: Variation in REE contents and cerium anomalies along vertical profiles of CLD-AUG-025 and CLD-AUG-028



Source: SRK

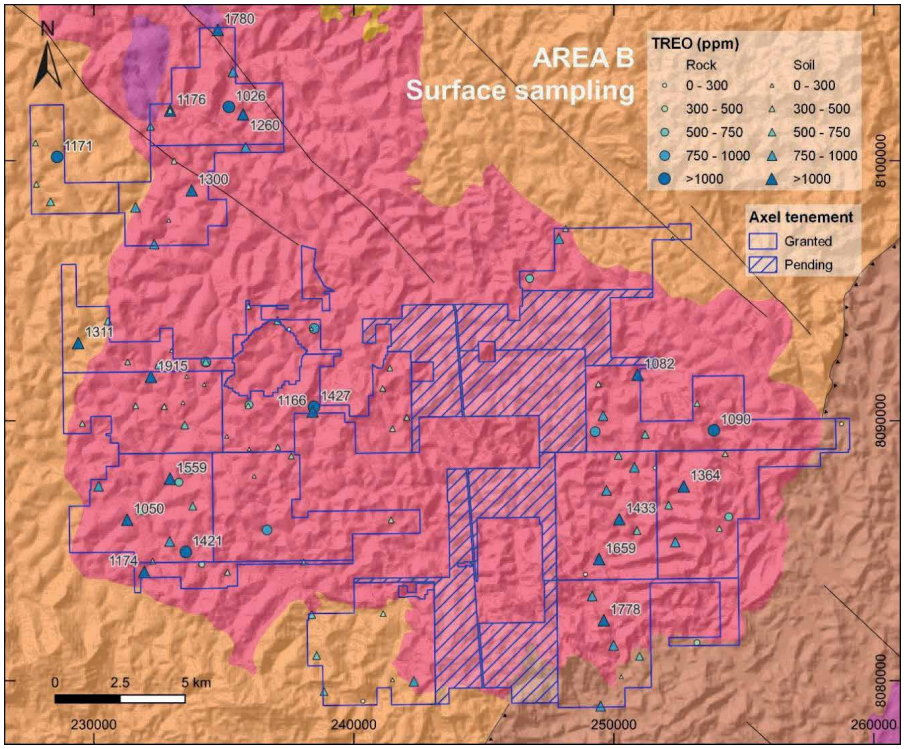
Axel completed a similar surface sampling program in Area B in July 2023. The exploration work included geological mapping and soil and rock chip sampling. A total of 86 soil samples and 21 rock samples were collected from the saprolite zone to the overlying weathered units. The collected samples were assayed at SGS Geosol (Figure 3-10).

Figure 3-10: Geological mapping and surface sampling along a road cut in Area B

Source: Axel

Notes: A – Geological mapping and surface sampling in Area B;
B – Soil sample PLLS001 with TREO 1,174 ppm;
C – Soil sample PLSS004 with TREO 1,433 ppm.

Figure 3-11: Area B soil and rock chip sampling results



Source: Axel

Notes:

[1] Coordinate system WGS 84/UTM zone 24S.

[2] Assays with TREO >1,000 ppm (0.1%) are labelled.

Table 3-3: Area B soil and rock chip sampling results

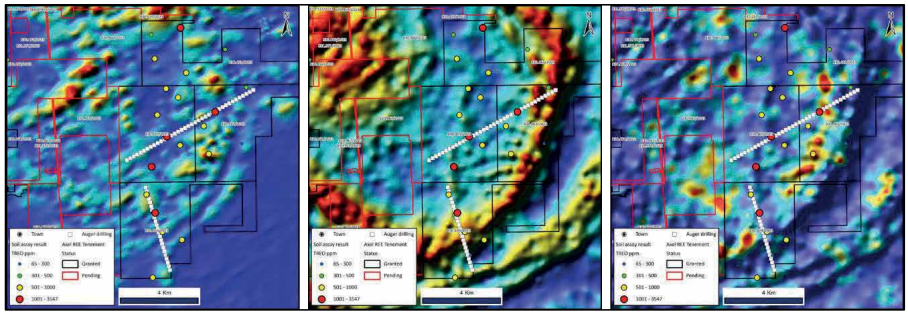
		No. of samples	TREO (ppm)	LREO (ppm)	HREO (ppm)	MREO (ppm)	Nd_2O_3 + Pr_6O_{11} (ppm)	Dy_2O_3 + Tb_4O_7 (ppm)
Soil	Minimum	86	118	95	14	14	13	2
	Average		670	598	72	121	112	9
	Maximum		1,915	1,836	452	517	488	42
Rock	Minimum	21	6	5	1	1	1	0
	Average		621	542	79	138	128	10
	Maximum		1,427	1,268	183	322	303	23

Source: Axel

Note: Refer to Section 2.4.2 for definitions of TREO, LREO, HREO and MREO. Discrepancies in totals may occur due to rounding.

The results for Area B show that the soil samples range from 118 ppm to 1,915 ppm TREO with an average grade of 670 ppm TREO (Figure 3-11 and Table 3-3). The elevated grades demonstrate the possible presence of IAC-type REE mineralisation in Area B as well. To further test this hypothesis, an auger drilling program was conducted in Area B in August 2023 (Figure 3-12). A total of 25 auger holes were drilled along two traverses. The drill holes have an average depth of 10 m, totalling 248 m (Appendix B). The drill holes were spaced 400 m apart. A total of 124 samples were collected with a nominal sample length of 2 m. Similar to those samples taken in Area A, these samples were assayed at the SGS Geosol laboratory. The results were received in October 2023 and the most significant intercepts are tabulated in Table 3-4.

Figure 3-12: Auger drilling program at Area B (from left to right) over aeromagnetic analytical imaging, radiometric (thorium), and radiometric (potassium)



Source: Axel

Table 3-4: Significant intercepts in Area B auger drilling program (TREO >1,000 ppm)

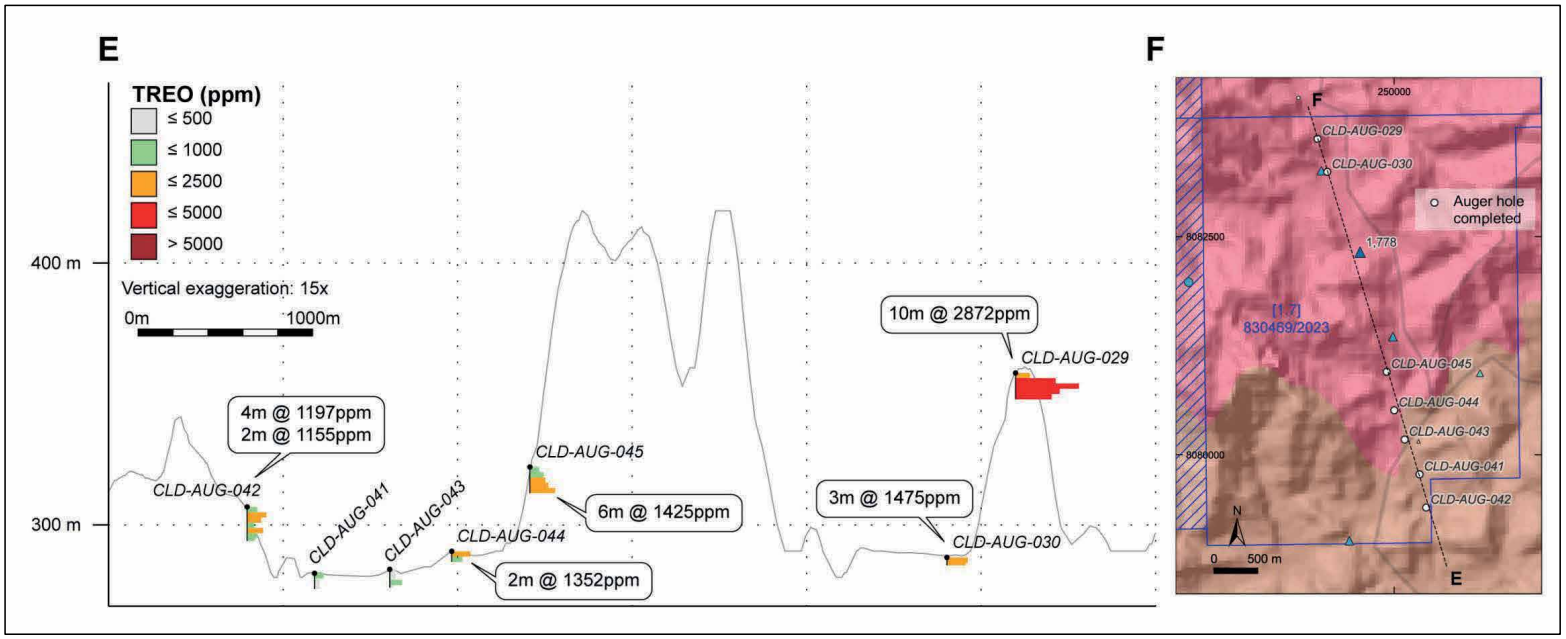
Hole ID	From (m)	To (m)	Interval (m)	TREO (ppm)	LREO (ppm)	HREO (ppm)	MREO (ppm)	Nd_2O_3 + Pr_6O_{11} (ppm)	Dy_2O_3 + Tb_4O_7 (ppm)
CLD-AUG-029	0	10	10	2,872	2,524	348	1,012	972	40
CLD-AUG-030	0	3	3	1,475	1,290	185	343	322	21
CLD-AUG-032	10	17	7	1,613	1,497	116	283	270	14
CLD-AUG-033	2	12	10	1,793	1,683	109	298	285	13
CLD-AUG-034	8	10	2	1,126	1,006	120	269	256	13
CLD-AUG-035	12	15	3	1,380	1,256	124	358	344	13
CLD-AUG-036	8	12	4	1,054	954	100	172	160	11
CLD-AUG-037	2	11	9	1,575	1,323	252	443	415	28
CLD-AUG-038	4	10	6	2,449	2,164	285	862	830	32
CLD-AUG-042	2	6	4	1,197	1,092	105	229	217	12
	8	10	2	1,155	1,049	106	265	254	11
CLD-AUG-044	0	2	2	1,352	1,191	161	293	276	17
CLD-AUG-045	4	10	6	1,425	1,324	102	316	306	10
CLD-AUG-046	2	6	4	1,565	1,490	76	161	151	10
CLD-AUG-048	2	4	2	1,084	1,054	30	51	48	3
CLD-AUG-049	0	7	7	1,993	1,910	83	392	385	7
CLD-AUG-050	2	6	4	1,121	1,079	42	108	103	5
CLD-AUG-051	2	4	2	1,518	1,395	123	313	296	16
	8	11	3	1,057	1,022	35	77	73	4
CLD-AUG-052	0	14	14	1,582	1,292	290	476	445	31
CLD-AUG-053	12	13	1	1,195	1,111	85	217	208	9

Source: Axel; compiled by SRK

Note: Refer to Section 2.4.2 for definitions of TREO, LREO, HREO and MREO. Discrepancies in totals may occur due to rounding.

The cross sections of the two transects are shown in Figure 3-13 and Figure 3-14. The most significant intercept includes a 10 m interval (CLD-AUG-029) with an average of 2,872 ppm TREO, 2,524 ppm LREO and 348 ppm HREO, of which the MREO content reaches 1,012 ppm (972 ppm Nd_2O_3 + Pr_6O_{11} and 40 ppm Dy_2O_3 + Tb_4O_7). Other significant intervals comprise a 6 m interval, with 2,449 ppm TREO, 2,164 ppm LREO and 285 ppm HREO, including 862 ppm MREO (830 ppm Nd_2O_3 + Pr_6O_{11} and 32 ppm Dy_2O_3 + Tb_4O_7) (CLD-AUG-038); a 7 m interval with 1,993 ppm TREO, 1,910 ppm LREO and 83 ppm HREO, including 392 ppm MREO (385 ppm Nd_2O_3 + Pr_6O_{11} and 7 ppm Dy_2O_3 + Tb_4O_7) (CLD-AUG-049); and a 14 m interval with 1,582 ppm TREO, 1,292 ppm LREO and 290 ppm HREO, including 476 ppm MREO (445 ppm Nd_2O_3 + Pr_6O_{11} and 31 ppm Dy_2O_3 + Tb_4O_7) (CLD-AUG-052). Similar to Area A, some of these holes were terminated within mineralisation.

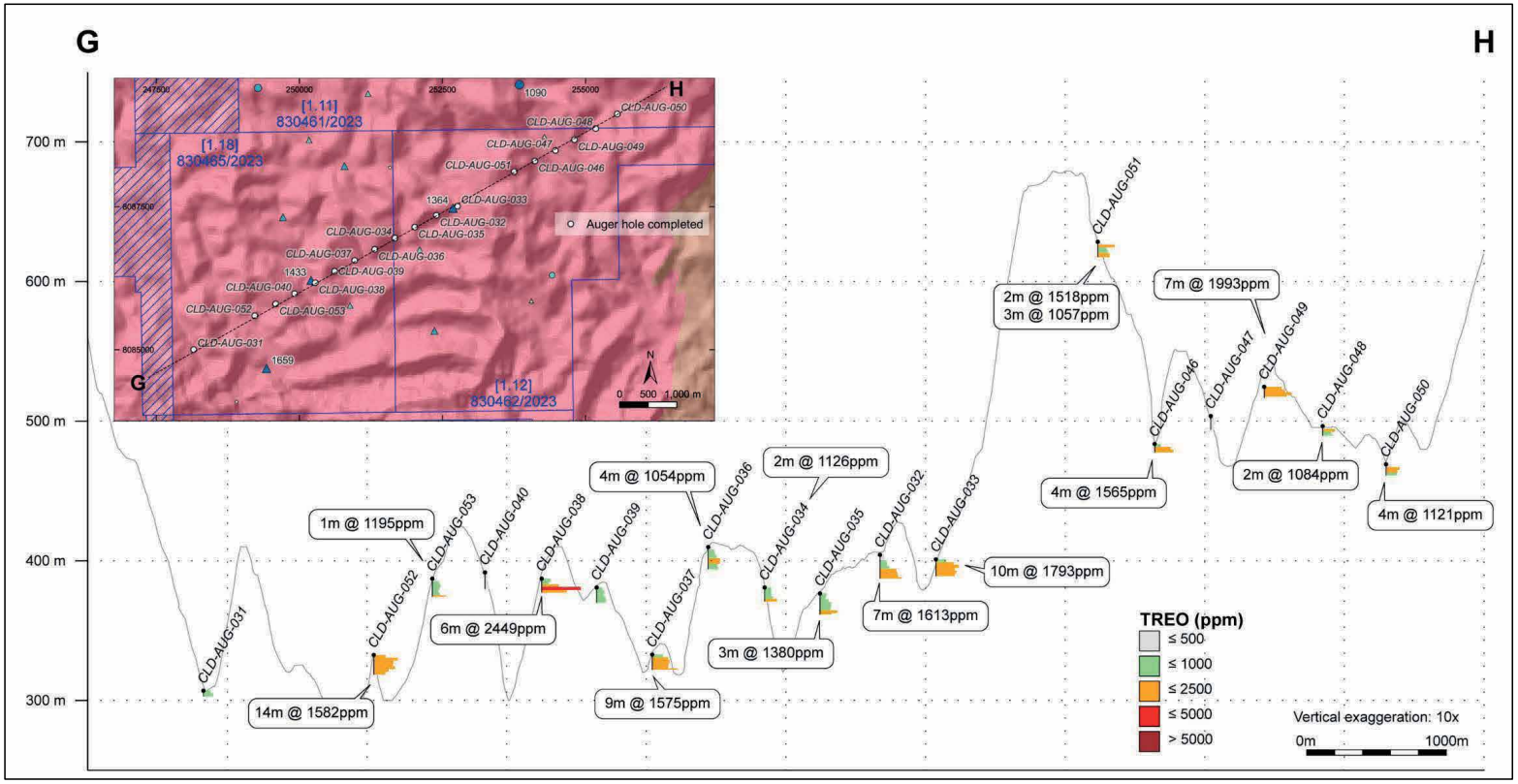
Figure 3-13: Cross section along the E–F transect



Source: SRK

Note: Topography outline is obtained from open source and is not accurate.

Figure 3-14: Cross section along the G–H transect



Source: SRK

Note: Topography outline is obtained from open source and is not accurate.

3.1.7 Prospectivity and proposed exploration program

The Caladão project area is underlain by the Caladas granite, which forms part of the Cambrian I-type granite of the G5 supersuite (Pedrosa-Soares et al., 2009). The G5 supersuite comprises bimodal biotite rich granitic and/or charnockitic to dioritic/noritic intrusions. This suite, which is characterised by high potassium and high iron and exhibits a calc-alkaline to alkaline nature, is considered a potential source rock for the IAC mineralisation. High-grade IAC mineralisation tends to be concentrated in the clay zones immediately above the saprolite zone (Borst et al., 2020).

Exploration to date in both Area A and Area B of the Caladão project has revealed anomalous REE concentrations in soils from the saprolite zone and the overlying unit. The follow-up reconnaissance auger drilling program has returned encouraging results, including examples of a 10 m interval from the surface with TREO content of 3,012 ppm in Area A and a 10 m thick interval with an average 2,872 ppm TREO in Area B. Some of these auger holes were terminated within the mineralisation zone. The initial widely spaced auger drilling has indicated the prospective nature of the area, suggesting the possible presence of IAC-type REE mineralisation.

Axel considers the Caladão project is a priority project and has designed a systematic exploration program that involves a staged approach to auger drilling in both Area A and Area B. The initial stage includes 200 holes, totalling 3,000 m of drilling in each area, resulting in a combined total of 400 holes of 6,000 m. The drill hole spacing will be 100 m. In the subsequent infilled drilling stage, the drill spacing will be reduced to 25 m, with a planned total of 800 holes, covering 12,000 m for each area respectively. The objective of the staged drilling program is to define a Mineral Resource that can be reported in accordance with the JORC Code (2012).

From SRK's assessment, it is apparent that the recently completed reconnaissance auger drilling program has demonstrated the area is highly prospective for hosting IAC-type REE mineralisation. There are immediate drill targets available in both Area A and Area B. The proposed staged drilling program will allow a better understanding of the relationships between geomorphology, weathering intensity, and mineralisation. The potential for discovering an IAC-type REE deposit is high.

Axel has prepared a 2 year budget for the proposed exploration program (Table 3-5 and Table 3-6). SRK considers the program and associated budget is reasonable and provides adequate consideration of the potential mineralisation style.

Table 3-5: Proposed exploration plan and budget for the Caladão project (maximum subscription)

Description	Year 1 (A$ M)	Year 2 (A$ M)	Total (A$ M)
Project planning, administration and permits	0.23	0.21	0.44
Surface sampling and geological mapping	0.00	0.12	0.12
Drilling	3.30	0.00	3.30
Assay	2.75	0.05	2.80
Geological review and Mineral Resource estimation	0.05	0.25	0.30
Total	**6.33**	**0.63**	**6.96**

Source: Axel

Table 3-6: Proposed exploration plan and budget for the Caladão project (minimum subscription)

Description	Year 1 (A$ M)	Year 2 (A$ M)	Total (A$ M)
Project planning, administration and permits	0.23	0.17	0.40
Surface sampling and geological mapping	0.00	0.00	0.00
Drilling	2.55	0.00	2.55
Assay	1.25	0.88	2.13
Geological review and Mineral Resource estimation	0.06	0.25	0.31
Total	**4.09**	**1.30**	**5.39**

Source: Axel

3.2 Caldas

3.2.1 Location and access

The tenements of the Poços de Caldas project are located in the vicinity of the Poços de Caldas municipality in the Minas Gerais State of southeast Brazil (Figure 1-1). Some of the tenements extend across the state border and are situated in São Paulo State. The project is approximately 450 km southeast of Belo Horizonte, or 260 km northeast of São Paulo. The region is well connected to other major cities via national highway 267. It is conveniently accessible throughout the year via a network of arterial and back country service roads.

3.2.2 Physiography, climate and vegetation

The majority of the tenements are situated on or near the foothills of a caldera plateau. The average elevation of the plateau is approximately 1,300 m, characterised by gently undulating fields. The surrounding mountains can reach heights ranging from 1,600 m to 1,800 m.

The climate of Poços de Caldas is classified as subtropical. The average annual temperature is 17°C. Summers are warm and accompanied by precipitation, while winters are cool with less rainfall. Typically, the coldest months have minimum temperatures around 6°C and the hottest months have maximum temperatures around 25°C. It is atypical for temperatures to drop below 1°C or rise above 29°C. The annual precipitation is 1,359 mm, occurring mostly between November and March.

3.2.3 Tenure

The Caldas project consists of 24 Exploration Licences and 4 Exploration Licence applications, covering a total area of 232.35 km^2 (Table 2-1 and Appendix A).

3.2.4 Geological setting

Central-eastern Brazil has a significant history of alkaline-carbonatite and alkaline igneous activity. This activity occurred during two periods: the Late Cretaceous (around 91–78 Ma) in areas like Poxoreu and Ipora, and the Late Cretaceous to early Eocene (around 80–55 Ma) in the northern Serra do Mar province (Figure 3-15) (Guarino et al., 2021).

The northern sector of the Serra do Mar igneous province, known as the Cabo Frio alignment, consists of aligned alkaline complexes along the coastline. These complexes stretch from the west-northwest to the east-southeast, with the age decreasing towards the east (Guarino et al., 2021).

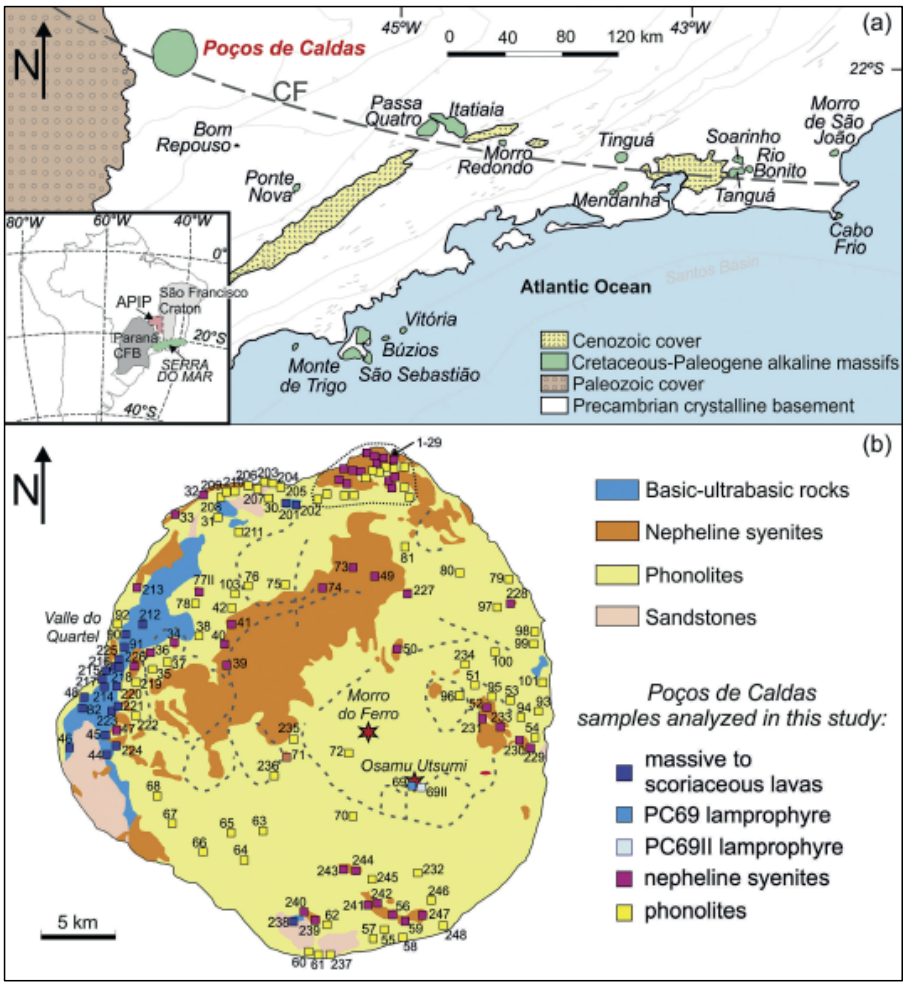
The Poços de Caldas Complex represents one of these alkaline complexes (Figure 3-16). It occurs as a circular structure with a diameter of approximately 28 km. It contains 12 large circular substructures resembling volcanic domes and caldera emission centres. The igneous activity at Poços de Caldas began with the doming of overlying rocks, followed by the emplacement of volcanic rocks and caldera-forming subsidence. Nepheline syenite intrusions, phonolitic ring-dykes, and eudialyte-bearing nepheline syenites were later emplaced (Guarino et al., 2021).

The Poços de Caldas Complex intrudes a Neoproterozoic basement associated with the 'Brasiliano orogeny'. This basement consists of granites, gneisses, and charnockites. It overlaps with Lower Cretaceous Botucatu sandstones of the Parana Basin (Guarino et al., 2021).

Extensive deuteric and hydrothermal alteration processes have affected the Poços de Caldas Complex. The infiltration of potassium-rich and fluorine-rich hydrothermal fluids led to modifications in the original magmatic mineral assemblages, resulting in the enrichment of clay minerals, potassium-metasomatism, and the formation of uranium-molybdenum-thorium-REE mineralisation and fluorspar deposits (e.g. Morro do Ferro) (Guarino et al., 2021).

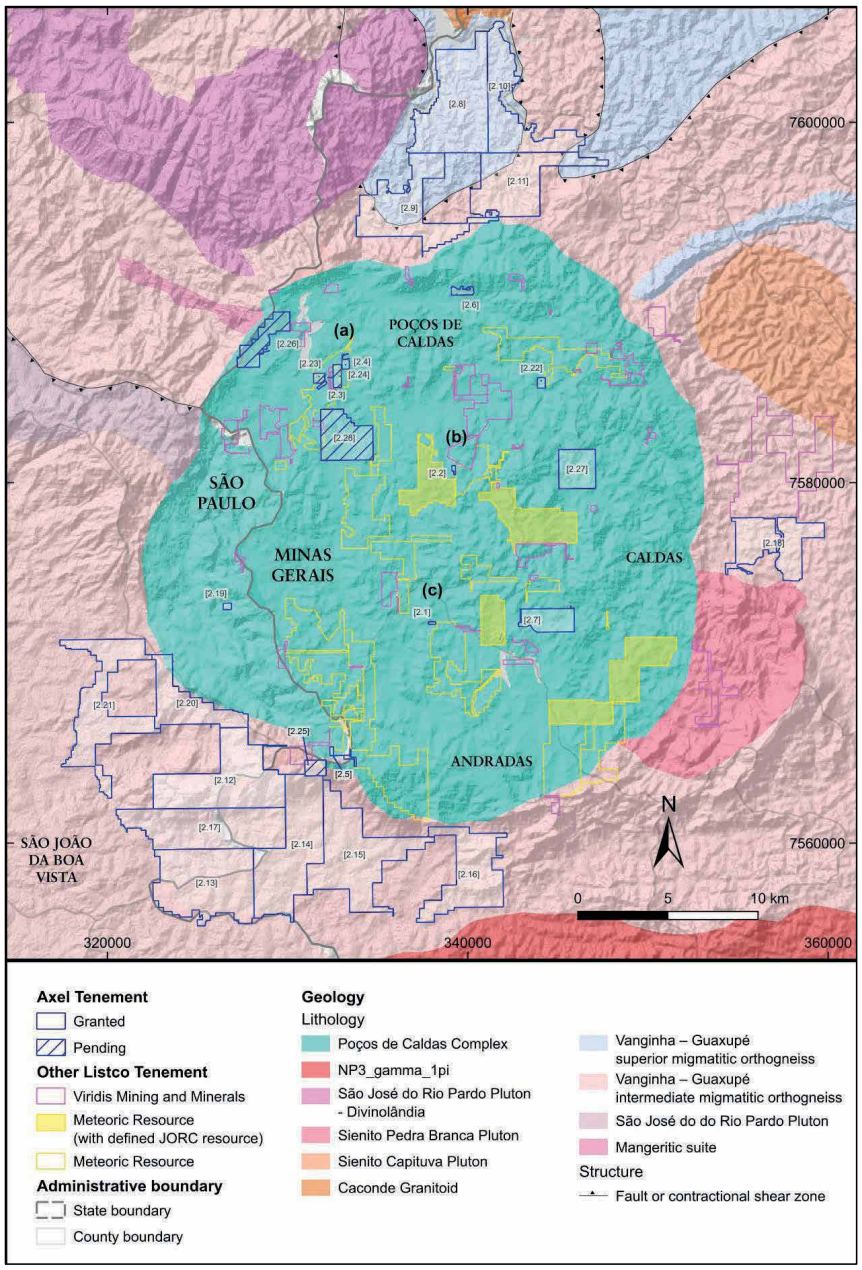
Weathering processes have produced laterites of economic interest, including bauxite and ionic adsorption clays deposits. The thick covers of soil and laterite make it challenging to map the different underlying rock units and circular substructures within the Poços de Caldas Complex.

Figure 3-15: Geological setting of the Poços de Caldas Complex



Source: modified after Guarino et al. (2021)

Figure 3-16: Simplified geological map of the Poços de Caldas Complex



Source: CPRM; Axel

3.2.5 Mineralisation

The Poços de Caldas Complex has a long history of clay mining for bricks and refractory clays. Recently, mining activities have focused on mining bauxite, zircon and uranium. It used to be one of the world's largest deposits of baddeleyite (ZrO_2), but it has been depleted over time.

Within the Poços de Caldas Complex, there are at least two IAC-type REE projects currently under development. The most advanced of these projects is the Caldeira Project by Meteoric, an ASX listed company. Meteoric released a Mineral Resource estimate[1] in accordance with the JORC Code (2012) that covers five licensed areas (Meteoric Resources, ASX: MEI, 1 May 2023). The estimate was based on historical auger drilling results, which included 1,329 holes and 12,299 samples (Figure 3-16).

At a cut-off of 1,000 ppm TREO, the Inferred Resource was reported as 409 Mt with an average grade of 2,626 ppm TREO. Rare earth oxides, including Pr_6O_{11}, Nd_2O_3, Tb_4O_7, and Dy_2O_3, which are primarily used in magnet production, account for 24% of the TREO content. The average drill depth in the Mineral Resource was 6.9 m, and 85% of all holes concluded in intervals with grades exceeding 1,000 ppm. Meteoric interpreted that there is potential for further mineralisation at greater depth.

On 1 August 2023, Viridis Mining and Minerals Ltd (Viridis), an ASX listed company, made an announcement regarding the acquisition of 41 licences, which included 2 Mining Licences, covering an area of 56 km^2 (Figure 3-16). Prior to the acquisition, the previous owners had drilled a total of 34 shallow auger holes, reaching a maximum of 3 m. These shallow holes intercepted clay and humus profiles, of which six of the holes reported average grades ranging from 1,780 ppm to 2,003 ppm TREO over 3 m intervals from the surface.

3.2.6 Exploration

Axel has conducted a comprehensive review of the historical exploration work conducted in the area. By September 2023, Axel had completed a reconnaissance soil and rock sampling program. The program encompassed the collection of 5 rock chip samples and 34 soil samples. The assay results are presented in Table 3-7 and Figure 3-17. Individual soil samples returned maximum values of 2,420 ppm TREO, 1,611 ppm LREO, 292 ppm HREO and 514 ppm MREO (488 ppm Nd_2O_3 + Pr_6O_{11} and 30 ppm Dy_2O_3 + Tb_4O_7) and minimum values of 296 ppm TREO, 235 ppm LREO, 23 ppm HREO and 37 ppm MREO (33 ppm Nd_2O_3 + Pr_6O_{11} and 2 ppm Dy_2O_3 + Tb_4O_7). Averages of these samples yielded 851 ppm TREO, 752 ppm LREO ppm and 99 ppm HREO. The MREO content reached 161 ppm (151 ppm Nd_2O_3 + Pr_6O_{11} and 10 ppm Dy_2O_3 + Tb_4O_7).

[1] Andrew Tunks, Marcelo J De Carvalho, Beck Nader and Volodymyr Myadzel were named as the Competent Persons for the Mineral Resource estimate.

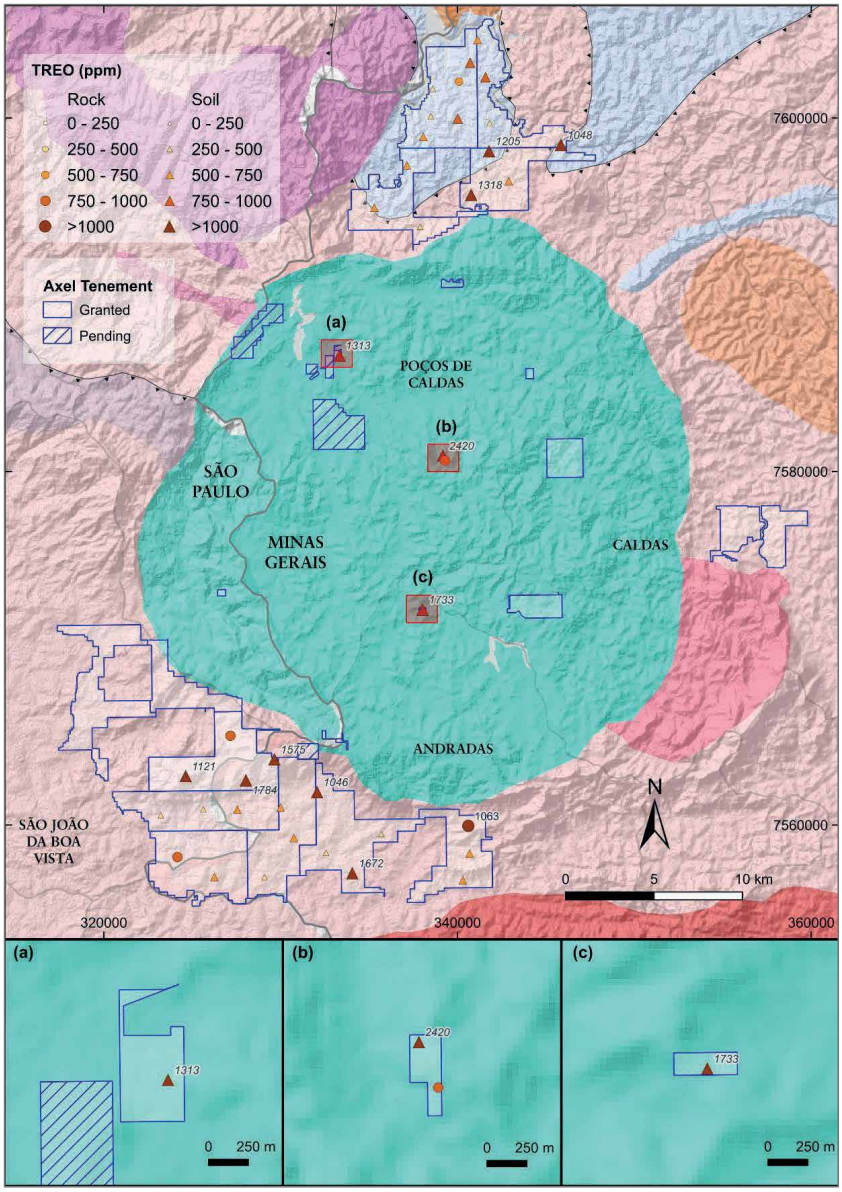
Table 3-7: Statistics on assay results of Caldas soil and rock sampling

		No. of samples	TREO (ppm)	LREO (ppm)	HREO (ppm)	MREO (ppm)	Nd_2O_3 + Pr_6O_{11} (ppm)	Dy_2O_3 + Tb_4O_7 (ppm)
Soil	Minimum	34	296	235	23	37	33	2
	Average		851	752	99	161	151	10
	Maximum		2,420	1,611	292	514	488	30
Rock	Minimum	5	521	422	70	105	96	6
	Average		859	743	116	162	150	12
	Maximum		1,063	956	216	230	210	27

Source: Axel

Note: Refer to Section 2.4.2 for definitions of TREO, LREO, HREO and MREO. Discrepancies in totals may occur due to rounding.

Figure 3-17: Assay results of Caldas soil and rock sampling



Source: Axel

Notes:

[1] Coordinate system WGS 84/UTM zone 23S.

[2] Assays with TREO >1,000 ppm (0.1%) are labelled.

3.2.7 Prospectivity and proposed exploration program

The Poços de Caldas project consists of a portfolio of tenements, located above or in the vicinity of the Poços de Caldas alkaline complex where the gneissic basement rocks were introduced by the alkaline complex. This complex has experienced alteration by potassium-rich and fluorine-rich hydrothermal fluids, which resulted in the enrichment of clay minerals, potassium-metasomatism, and the formation of uranium-molybdenum-thorium-REE mineralisation and fluorspar mineralisation.

Recent auger drilling results in the area reported by Meteoric and Viridis have indicated the presence of IAC-type mineralisation from the surface. It appears that the source rocks for this mineralisation originated from the underlying altered alkaline complex. Some of Axel's licences share similar geological characteristics with the projects of Meteoric and Viridis. Recent surface sampling by Axel shows that the individual soil samples from tenements mainly surrounding the alkaline complex returned maximum values of 2,420 ppm TREO, 1,611 ppm LREO, 292 ppm HREO and 514 ppm MREO (488 ppm Nd_2O_3 + Pr_6O_{11} and 30 ppm Dy_2O_3 + Tb_4O_7). An average of all samples returned 851 ppm TREO, 752 ppm LREO and 99 ppm HREO, including 161 ppm MREO (151 ppm Nd_2O_3 + Pr_6O_{11} and 10 ppm Dy_2O_3 + Tb_4O_7).

Axel has developed a plan for further surface sampling and geophysical surveys. This exploration work will be followed by auger drilling in target areas. Recent surface sampling by Axel has revealed that REE mineralisation is not limited to the Poços de Caldas alkaline complex, but could potentially occur within the weathering profile of the neighbouring gneissic rocks. The potential for mineralisation in these areas remains unexplored.

SRK recognises that a geology-driven and systematic exploration strategy, as presented by Axel is reasonable and based on sound geological concepts. The proposed exploration program and associated budget (Table 3-8 and Table 3-9) has the potential to uncover the presence of REE mineralisation.

Table 3-8: Proposed exploration plan and budget for the Caldas project (maximum subscription)

Description	Year 1 (A$ M)	Year 2 (A$ M)	Total (A$ M)
Project planning, administration and permits	0.19	0.19	0.38
Surface sampling and geological mapping	0.15	0.00	0.15
Geophysics	0.07	0.00	0.07
Drilling	0.00	0.33	0.33
Assay	0.06	0.27	0.33
Geological review and Mineral Resource estimation	0.00	0.27	0.27
Total	**0.47**	**1.06**	**1.53**

Source: Axel

Table 3-9: Proposed exploration plan and budget for the Caldas project (minimum subscription)

Description	Year 1 (A$ M)	Year 2 (A$ M)	Total (A$ M)
Project planning, administration and permits	0.19	0.19	0.38
Surface sampling and geological mapping	0.15	0.00	0.15
Geophysics	0.07	0.00	0.07
Drilling	0.00	0.33	0.33
Assay	0.06	0.27	0.33
Geological review and Mineral Resource estimation	0.00	0.27	0.27
Total	**0.47**	**1.06**	**1.53**

Source: Axel

3.3 Corrente

3.3.1 Location and access

The Corrente project is situated approximately 20 km southeast of the Corrente Municipality in the Piauí State of the northeast region of Brazil. It is located 920 km southwest of Teresina, the capital of Piauí State. Access from Teresina to Corrente is facilitated by national highways 255, 135 and 343 (Figure 1-1 and Figure 3-18).

3.3.2 Physiography, climate and vegetation

The region is characterised by flat plains with occasional small hills, with elevations ranging from approximately 420 m to 440 m. The climate is classified as tropical savanna, featuring distinct wet and dry seasons throughout the year. The wet season extends from November to April, during which a significant amount of rainfall occurs. The dry season spans from May to October. The average annual temperature ranges from 24–26°C, with the hottest months being October and November. Corrente receives average annual rainfall of approximately 1,000–1,500 mm.

3.3.3 Tenure

The Corrente project is covered by three granted Exploration Licences, measuring a total of 59.32 km^2 (Table 2-1 and Appendix A).

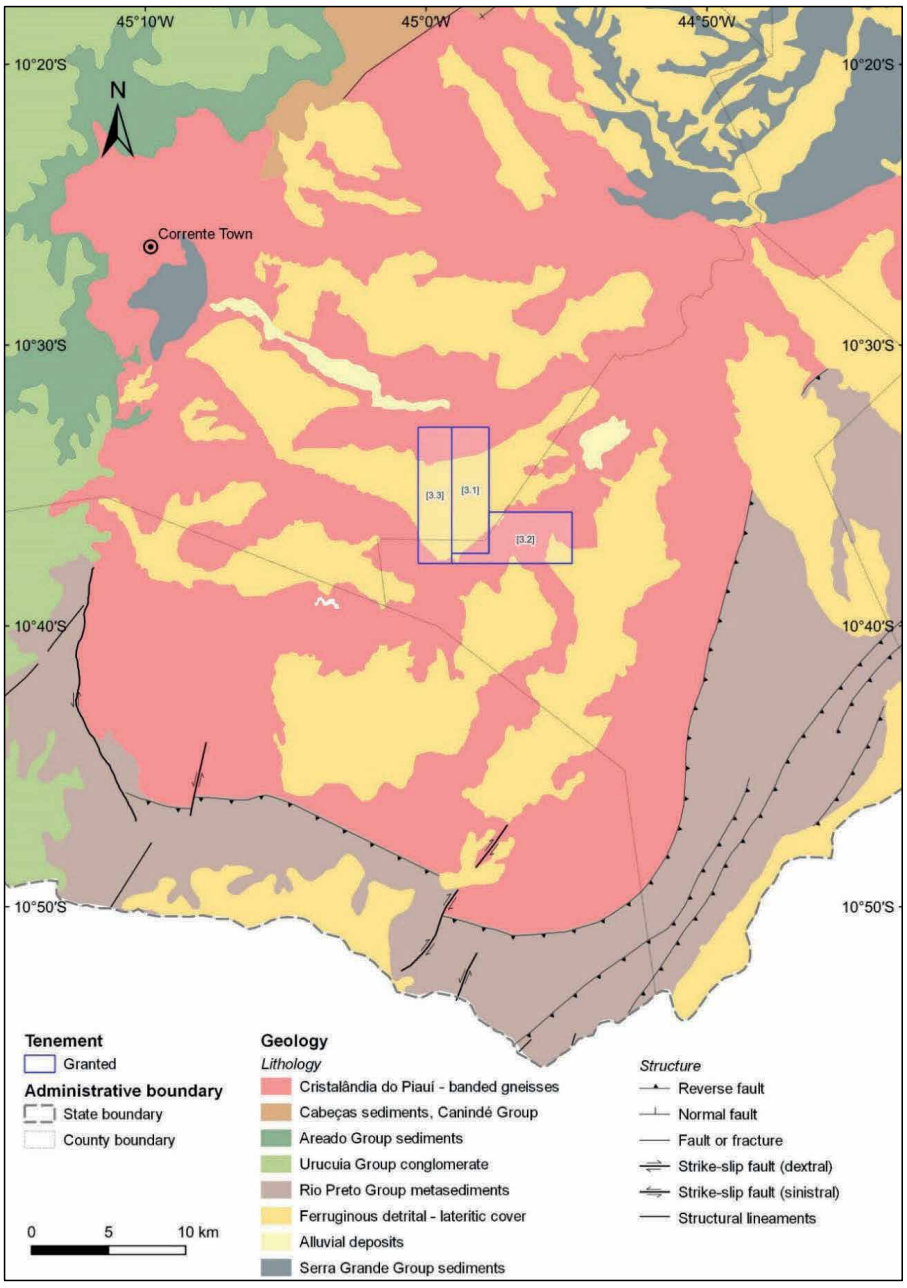
3.3.4 Geological setting

The geology of the Corrente project area is characterised by the presence of Proterozoic Cristalândia do Piauí biotite paragneisses, granodioritic to tonalitic with thin intercalations of iron-bearing bands and mylonitised metamafic, meta-ultramafic and calc-silicate rocks. In certain areas, the underlying rock is overlain by lateritic soil, which consists of residual clay-sandy and clay-silty soil covers that may have undergone total or partial laterisation. These soils display dark to reddish-brown duricrusts rich in iron and can contain compact layers of sand and clay, with conglomeratic levels found in the lower portion (Figure 3-18). Figure 3-19 shows a total magnetic field anomaly map.

3.3.5 Exploration

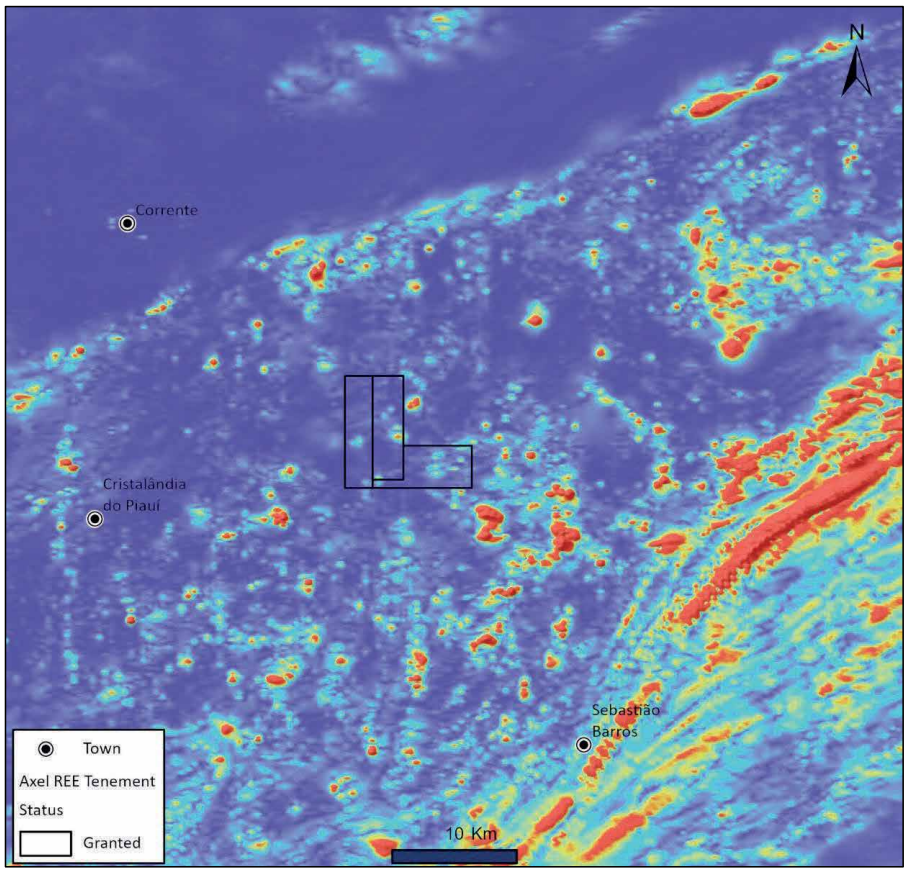
A desktop review of previous exploration work has been conducted by Axel.

Figure 3-18: Simplified geological map of the Corrente project area



Source: CPRM; Axel

Figure 3-19: Magnetic anomaly of the Corrente project area



Source: Axel

3.3.6 Prospectivity and proposed exploration program

Axel plans to carry out a field assessment and geochemical program to evaluate the prospectivity of the project area. This program will include the compilation and interpretation of public domain data. Soil and rock chip sampling and geophysical surveys will then be conducted. REE mineralisation tends to occur along the edges of alkaline intrusions, similar to the Palabora Complex in South Africa. The initial program will help refine the exploration model and better define potential drill targets. These potential targets will be further tested by a 1,000 m diamond drilling program.

SRK considers that Corrente project is an early-stage exploration project, and a scientific and systematic approach is required to define drill targets. SRK has reviewed the details of the exploration program and considers the program along with its associated budget to be reasonable (Table 3-10 and Table 3-11).

Table 3-10: Proposed exploration plan and budget for the Corrente Project (maximum subscription)

Description	Year 1 (A$ M)	Year 2 (A$ M)	Total (A$ M)
Project planning, administration and permits	0.04	0.02	0.06
Surface sampling and geological mapping	0.04	0.00	0.04
Geophysics	0.07	0.00	0.07
Drilling	0.00	0.41	0.41
Assay	0.01	0.14	0.15
Geological review and Mineral Resource estimation	0.00	0.27	0.27
Total	**0.16**	**0.84**	**1.00**

Source: Axel

Table 3-11: Proposed exploration plan and budget for the Corrente Project (minimum subscription)

Description	Year 1 (A$ M)	Year 2 (A$ M)	Total (A$ M)
Project planning, administration and permits	0.02	0.04	0.06
Surface sampling and geological mapping	0.00	0.03	0.03
Geophysics	0.00	0.02	0.02
Drilling	0.00	0.00	0.00
Assay	0.00	0.00	0.00
Geological review and Mineral Resource estimation	0.00	0.00	0.00
Total	**0.02**	**0.09**	**0.11**

Source: Axel

3.4 Itiquira

3.4.1 Location and access

The Itiquira project is located approximately 25 km southwest of the Itiquira municipality in Mato Grosso State of the central-western region of Brazil. It is located approximately 360 km southeast of Cuiabá, the capital of Mato Gross State. Access to the Itiquira project area from Cuiabá is via the paved national highways 163 and 370, followed by a series of unpaved arterial and back country service roads.

3.4.2 Physiography, climate and vegetation

The physiography of the Itiquira project area is characterised by a mix of flat plains and rolling hills, with elevations reaching approximately 600 m. Itiquira has a tropical savanna climate with distinct wet and dry seasons. The wet season lasts from October to April, bringing more rain and higher humidity. The dry season occurs from May to September, with less rainfall and drier conditions. The temperatures during the dry season are typically warm to hot, with occasional cooler nights.

The average temperatures range from 20°C to 30°C. Itiquira receives average annual rainfall of 1,200–1,500 mm.

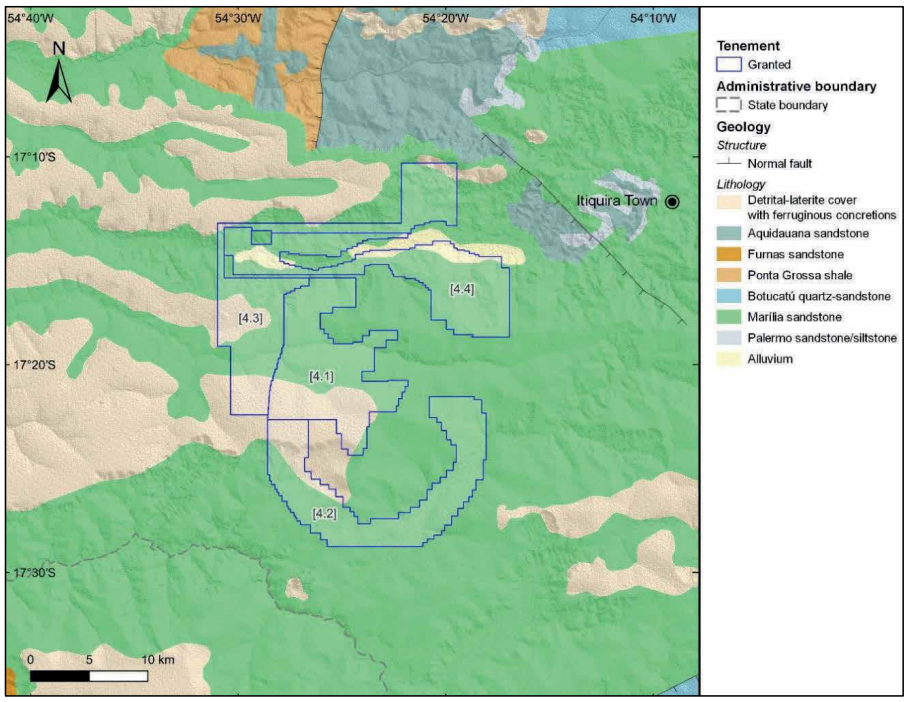
3.4.3 Tenure

The project is covered by four granted Exploration Licences, covering a total area of 395.80 km^2 (Table 2-1 and Appendix A).

3.4.4 Geological setting

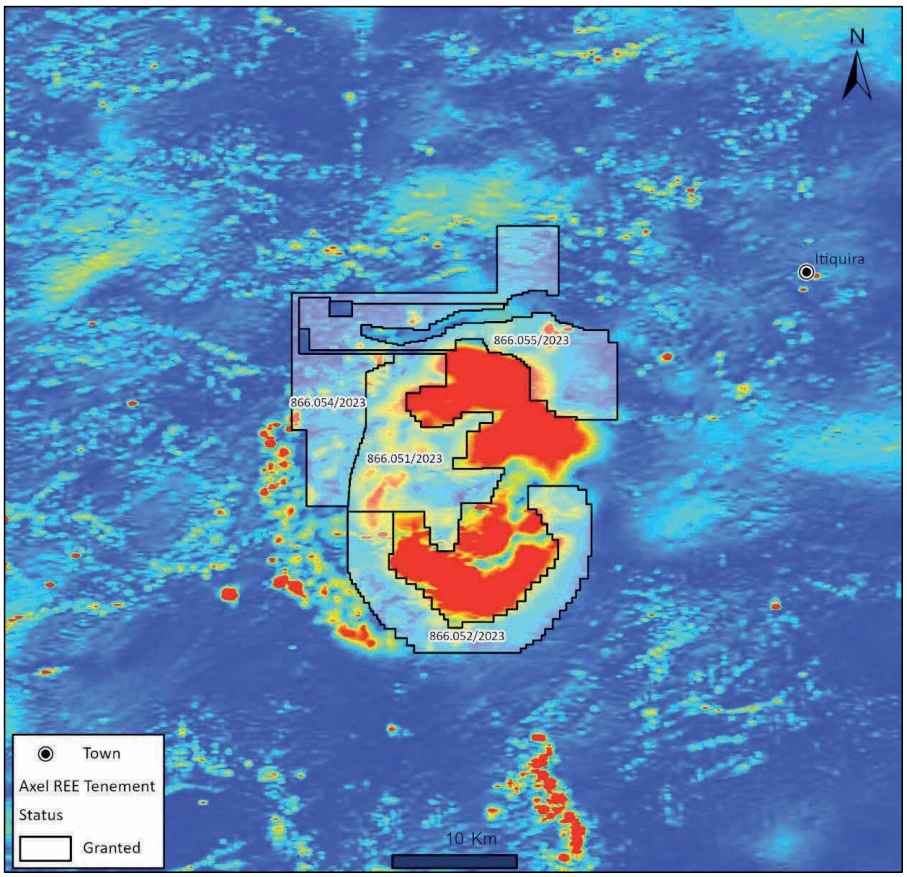
Figure 3-20 shows the simplified geological map of the Itiquira project area. The geology is represented by the Cretaceous Marília Formation sandstone with laterite covers in places (Figure 3-20). Magnetic survey has indicated the presence of an elliptical anomaly, measuring approximately 30 km × 20 km. Alkaline-carbonatite complexes typically have circular structures and radial drainage patterns and can be identified by geophysical signatures. Axel has drawn similarity with an alkaline-carbonatite complex, the Serra Negra alkaline-carbonatite complex (Santos et al., 2019). The Serra Negra Complex also displays distinctive circular zoned magnetic and gravity anomalies.

Figure 3-20: Simplified geological map of the Itiquira project area



Source: CPRM; Axel

Figure 3-21: Magnetic anomaly of the Itiquira project area



Source: Axel

3.4.5 Exploration

A desktop review of the available geological and geophysical information of the area has been conducted by Axel, showing the presence of a circular magnetic anomaly.

3.4.6 Prospectivity and proposed exploration program

The presence of an inferred magnetic anomaly, spanning approximately 10 kilometres in diameter, is observed in the area. The distinct geophysical signature of this anomaly resembles other recognised alkaline-carbonatite complexes found in Brazil and elsewhere, such as the Palabora Complex in South Africa. Such complexes are known to be associated with REE and other mineralisation such as zirconium, uranium and fluoride. It is conceivable that the anomaly represents an alkaline-carbonatite complex that could potentially host REE and other mineralisation.

Axel has developed a comprehensive exploration program for the project. The program includes compilation and interpretation of public domain data, soil and rock chip sampling and geophysical surveys. A reconnaissance diamond drilling program will also be included to test any defined drill targets. SRK, after reviewing the exploration program and budget (Table 3-12 and Table 3-13), has determined that it aligns well with the current development status of the project and is suitable for its objectives.

Table 3-12: Proposed exploration plan and budget for the Itiquira project (maximum subscription)

Description	Year 1 (A$ M)	Year 2 (A$ M)	Total (A$ M)
Project planning, administration and permits	0.12	0.13	0.25
Surface sampling and geological mapping	0.04	0.00	0.04
Geophysics	0.07	0.00	0.07
Drilling	0.00	0.83	0.83
Assay	0.01	0.27	0.28
Geological review and Mineral Resource estimation	0.00	0.27	0.27
Total	**0.24**	**1.50**	**1.74**

Source: Axel

Table 3-13: Proposed exploration plan and budget for the Itiquira project (minimum subscription)

Description	Year 1 (A$ M)	Year 2 (A$ M)	Total (A$ M)
Project planning, administration and permits	0.12	0.10	0.22
Surface sampling and geological mapping	0.03	0.01	0.04
Geophysics	0.02	0.04	0.06
Drilling	0.00	0.00	0.00
Assay	0.01	0.01	0.02
Geological review and Mineral Resource estimation	0.00	0.00	0.00
Total	**0.18**	**0.16**	**0.34**

Source: Axel

4 Conclusion

Axel has a portfolio of tenements, consisting of 54 granted Exploration Licences and 11 Exploration Licence applications, covering a total area of 1,105.16 km^2. These licences are divided into four projects, located in different states: Caladão (Minas Gerais), Caldas (Minas Gerais and São Paulo), Corrente (Piauí), and Itiquira (Mato Grosso) (see Figure 1.1). The primary target mineralisation is IAC-type as well as alkaline-carbonatite-type REE mineralisation.

Reconnaissance auger drilling conducted in Area A and Area B of the flagship Caladão project has uncovered decameter-thick IAC-type REE mineralisation intervals with TREO average contents of over 3,000 ppm. Some of the auger holes were terminated within the mineralisation zone. Initial surface sampling from the Caldas project also shows results that warrant follow-up work. The Corrente and Itiquira projects are marked by geophysical signatures that might represent the presence of alkaline-carbonatite complexes. The peripheries of these complexes are considered prospective for potential REE mineralisation.

Axel has prepared a 2-year technical budget for the exploration program, amounting to approximately A$11.23 M (maximum subscription) or A$7.37 M (minimum subscription) (Table 4-1 and Table 4-2). This budget covers the flagship Caladão project, as well as the Caldas, Corrent, and Itiquira projects. It includes various costs for exploration management, surface sampling, geophysical surveys, drilling, assay and external technical review and resource estimation.

In SRK's opinion, the projects exhibit potential for economic IAC-type and alkaline-carbonatite type REE mineralisation. The geological interpretation by Axel is considered appropriate and the exploration models applied are suitable. The proposed exploration budget is reasonable and adequate for implementing the planned work programs over the 2-year timeframe.

Apart from an effective exploration strategy, the success of Axel largely relies on the technical skills of its exploration team. SRK considers that Axel has the technical resources and expertise to accomplish its objectives of discovering and developing deposits within the project area.

Table 4-1: Proposed exploration budget (maximum subscription)

Project	Year 1 (A$ M)	Year 2 (A$ M)	Total (A$ M)
Caladão	6.33	0.63	6.96
Caldas	0.47	1.06	1.53
Corrente	0.16	0.84	1.00
Itiquira	0.24	1.50	1.74
Total	**7.20**	**4.03**	**11.23**

Source: Axel

Table 4-2: Proposed exploration budget (minimum subscription)

Project	Year 1 (A$ M)	Year 2 (A$ M)	Total (A$ M)
Caladão	4.09	1.30	5.39
Caldas	0.47	1.06	1.53
Corrente	0.02	0.09	0.11
Itiquira	0.18	0.16	0.34
Total	**4.76**	**2.61**	**7.37**

Source: Axel

Closure

This report, Independent Geologist's Report on the Mineral Assets of Axel REE Limited, was prepared by

Dr Gavin Chan
Principal Consultant, Project Evaluation

and reviewed by

Rodney Brown
Principal Consultant, Resource Evaluation

All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

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Appendix A List of Exploration Licences

Map no.	Licence ID	Area (ha)	Application date	Grant date	Expiry date	Status	Owner	County	State
Caladão									
1.1	830500/2023	1,460.5	24/02/2023	28/07/2023	28/07/2026	Granted	Foxfire Metals Ltda	Padre Paraíso	MG
1.2	831458/2020	1,574.47	13/10/2020	1/10/2021	30/09/2024	Granted	Foxfire Metals Ltda[1]	Padre Paraíso	MG
1.3	831524/2020	1,023.9	22/10/2020	24/11/2020	08/04/2025	Granted	Lobo Guara Mineracao e Representacao Eireli[1]	Caraí, Padre Paraíso	MG
1.4	830454/2023	1,299.51	22/02/2023	23/03/2023	23/03/2026	Granted	Foxfire Metals Ltda	Caraí	MG
1.5	830458/2023	1,714	22/02/2023	23/03/2023	23/03/2026	Granted	Foxfire Metals Ltda	Caraí	MG
1.6	830464/2023	1,991.16	22/02/2023	23/03/2023	23/03/2026	Granted	Foxfire Metals Ltda	Caraí, Catuji	MG
1.7	830469/2023	1,972.5	22/02/2023	23/03/2023	23/03/2026	Granted	Foxfire Metals Ltda	Caraí, Novo Oriente De Minas, Teófilo Otoni, Catuji	MG
1.8	830452/2023	148.72	22/02/2023	28/03/2023	28/03/2026	Granted	Foxfire Metals Ltda	Caraí	MG
1.9	830456/2023	1,080.58	22/02/2023	28/03/2023	28/03/2026	Granted	Foxfire Metals Ltda	Caraí, Novo Oriente De Minas	MG
1.10	830451/2023	1,919.96	22/02/2023	03/04/2023	03/04/2026	Granted	Foxfire Metals Ltda	Caraí, Padre Paraíso	MG
1.11	830461/2023	1,914.17	22/02/2023	03/04/2023	03/04/2026	Granted	Foxfire Metals Ltda	Caraí, Novo Oriente De Minas	MG
1.12	830462/2023	1,978.71	22/02/2023	03/04/2023	03/04/2026	Granted	Foxfire Metals Ltda	Caraí, Novo Oriente De Minas	MG
1.13	830463/2023	1,917.61	22/02/2023	03/04/2023	03/04/2026	Granted	Foxfire Metals Ltda	Caraí, Catuji	MG
1.14	830466/2023	1,968.93	22/02/2023	18/04/2023	18/04/2026	Granted	Foxfire Metals Ltda	Caraí, Catuji	MG
1.15	830459/2023	1,599.56	22/02/2023	09/05/2023	09/05/2026	Granted	Foxfire Metals Ltda	Caraí	MG
1.16	830455/2023	1,227.51	22/02/2023	23/05/2023	23/05/2026	Granted	Foxfire Metals Ltda	Caraí	MG
1.17	830453/2023	1,502.79	22/02/2023	19/06/2023	19/06/2026	Granted	Foxfire Metals Ltda	Caraí	MG
1.18	830465/2023	1,912.78	22/02/2023	19/06/2023	19/06/2026	Granted	Foxfire Metals Ltda	Caraí, Catuji	MG
1.19	830515/2023	1,963.87	24/02/2023	03/04/2023	03/04/2026	Granted	Foxfire Metals Ltda	Ponto Dos Volantes	MG
1.20	830516/2023	1,947.1	24/02/2023	03/04/2023	03/04/2026	Granted	Foxfire Metals Ltda	Ponto Dos Volantes, Padre Paraíso	MG
1.21	830505/2023	1,033.42	24/02/2023	04/05/2023	04/05/2026	Granted	Foxfire Metals Ltda	Padre Paraíso	MG
1.22	830506/2023	786.64	24/02/2023	04/05/2023	04/05/2026	Granted	Foxfire Metals Ltda	Caraí	MG
1.23	830527/2023	386.89	27/02/2023	23/03/2023	23/03/2026	Granted	Foxfire Metals Ltda	Caraí, Catuji	MG
1.24	831515/2020	884.39	22/10/2020			Pending	Lobo Guara Mineracao e Representacao Eireli[1]	Ponto Dos Volantes, Padre Paraíso	MG
1.25	830457/2023	1,317.8	22/02/2023			Pending	Foxfire Metals Ltda	Caraí, Novo Oriente De Minas	MG

Annexure A. Independent Geologist's Report continued

Map no.	Licence ID	Area (ha)	Application date	Grant date	Expiry date	Status	Owner	County	State
1.26	830460/2023	1,435.97	22/02/2023			Pending	Foxfire Metals Ltda	Caraí	MG
1.27	830467/2023	826.86	22/02/2023			Pending	Foxfire Metals Ltda	Caraí, Catuji	MG
1.28	830468/2023	910.99	22/02/2023			Pending	Foxfire Metals Ltda	Caraí, Catuji	MG
1.29	833341/2023	1,130.7	26/11/2023			Pending	Foxfire Metals Ltda	Caraí	MG
1.30	833340/2023	936.03	26/11/2023			Pending	Foxfire Metals Ltda	Caraí	MG
Caldas									
2.1	830891/2023	5.63	31/03/2023	28/07/2023	28/07/2026	Granted	Foxfire Metals Ltda	Andradas	MG
2.2	830888/2023	7.77	31/03/2023	28/07/2023	28/07/2026	Granted	Foxfire Metals Ltda	Poços De Caldas	MG
2.3	830882/2023	8.12	31/03/2023	28/07/2023	28/07/2026	Granted	Foxfire Metals Ltda	Poços De Caldas	MG
2.4	830884/2023	24.43	31/03/2023	28/07/2023	28/07/2026	Granted	Foxfire Metals Ltda	Poços De Caldas	MG
2.5	830893/2023	24.65	31/03/2023	28/07/2023	28/07/2026	Granted	Foxfire Metals Ltda	Águas Da Prata, Andradas	MG, SP
2.6	830886/2023	47.58	31/03/2023	28/07/2023	28/07/2026	Granted	Foxfire Metals Ltda	Poços De Caldas	MG
2.7	830890/2023	363.73	31/03/2023	28/07/2023	28/07/2026	Granted	Foxfire Metals Ltda	Caldas	MG
2.8	830083/2023	1,995.5	19/01/2023	07/02/2023	07/02/2026	Granted	Foxfire Metals Ltda	Poços De Caldas	MG
2.9	830082/2023	1,549.63	19/01/2023	27/02/2023	27/02/2026	Granted	Foxfire Metals Ltda	Poços De Caldas	MG
2.10	830084/2023	1,327.5	19/01/2023	07/03/2023	07/03/2026	Granted	Foxfire Metals Ltda	Poços De Caldas, Botelhos	MG
2.11	830085/2023	1,454.03	19/01/2023	03/04/2023	03/04/2026	Granted	Foxfire Metals Ltda	Poços De Caldas	MG
2.12	831084/2023	1,950.77	26/04/2023	23/05/2023	23/05/2026	Granted	Foxfire Metals Ltda	Águas Da Prata, Andradas, São João Da Boa Vista	MG, SP
2.13	831087/2023	1,998.07	26/04/2023	23/05/2023	23/05/2026	Granted	Foxfire Metals Ltda	Andradas, São João Da Boa Vista, Santo Antônio Do Jardim	MG, SP
2.14	831088/2023	1,956.82	26/04/2023	23/05/2023	23/05/2026	Granted	Foxfire Metals Ltda	Andradas, São João Da Boa Vista, Santo Antônio Do Jardim	MG, SP
2.15	831089/2023	1,983.83	26/04/2023	23/05/2023	23/05/2026	Granted	Foxfire Metals Ltda	Andradas	MG
2.16	831090/2023	1,333.64	26/04/2023	23/05/2023	23/05/2026	Granted	Foxfire Metals Ltda	Andradas	MG
2.17	831086/2023	1,886.07	26/04/2023	31/05/2023	31/05/2026	Granted	Foxfire Metals Ltda	Andradas, São João Da Boa Vista	MG, SP
2.18	831092/2023	1,085.01	26/04/2023	31/05/2023	31/05/2026	Granted	Foxfire Metals Ltda	Caldas	MG
2.19	820286/2023	16.56	03/04/2023	26/10/2023	26/10/2026	Granted	Foxfire Metals Ltda	Águas Da Prata	SP
2.20	820287/2023	899.49	31/03/2023	26/10/2023	26/10/2026	Granted	Foxfire Metals Ltda	Águas Da Prata, São João Da Boa Vista	SP

Map no.	Licence ID	Area (ha)	Application date	Grant date	Expiry date	Status	Owner	County	State
2.21	820319/2023	1,603.14	26/04/2023	26/09/2023	26/09/2026	Granted	Foxfire Metals Ltda	São João Da Boa Vista	SP
2.22	830887/2023	25.17	31/03/2023	28/02/2024	28/02/2027	Pending	Foxfire Metals Ltda	Poços De Caldas	MG
2.23	830881/2023	32.34	31/03/2023			Pending	Foxfire Metals Ltda	Poços De Caldas	MG, SP
2.24	830883/2023	57.57	31/03/2023			Pending	Foxfire Metals Ltda	Poços De Caldas	MG
2.25	830895/2023	102.82	31/03/2023	28/02/2024	28/02/2027	Pending	Foxfire Metals Ltda	Águas Da Prata, Andradas	MG, SP
2.26	830880/2023	357.8	31/03/2023			Pending	Foxfire Metals Ltda	Poços De Caldas, São Sebastião Da Grama	MG
2.27	830889/2023	442.8	31/03/2023	28/02/2024	28/02/2027	Pending	Foxfire Metals Ltda	Poços De Caldas, Caldas	MG
2.28	830885/2023	695.36	31/03/2023			Pending	Foxfire Metals Ltda	Poços De Caldas	MG
Corrente									
3.1	803030/2023	1,997.87	17/02/2023	23/03/2023	23/03/2026	Granted	Foxfire Metals Ltda	Sebastião Barros, Corrente	PI
3.2	803031/2023	1,977.23	17/02/2023	30/03/2023	30/03/2026	Granted	Foxfire Metals Ltda	Sebastião Barros, Corrente	PI
3.3	803032/2023	1,957.15	17/02/2023	30/03/2023	30/03/2026	Granted	Foxfire Metals Ltda	Sebastião Barros, Corrente	PI
Itiquira									
4.1	866051/2023	9,892.33	03/02/2023	08/03/2023	08/03/2026	Granted	Foxfire Metals Ltda	Itiquira	MT
4.2	866052/2023	9,989.08	03/02/2023	06/06/2023	06/06/2026	Granted	Foxfire Metals Ltda	Itiquira	MT
4.3	866054/2023	9,944.86	03/02/2023	06/06/2023	06/06/2026	Granted	Foxfire Metals Ltda	Itiquira	MT
4.4	866055/2023	9,753.55	03/02/2023	06/06/2023	06/06/2026	Granted	Foxfire Metals Ltda	Itiquira	MT

Note:

[1] Axel owns 100% of the REE and other mineral rights, excluding lithium.

Appendix B List of Caladão's auger drill holes

Hole ID	Licence ID	X/Easting	Y/Northing	Z/RL	Depth	Azimuth	Dip
Area A							
CLD-AUG-004	831.458/2020	234474.96	8113191.57	981.54	20	0°	-90°
CLD-AUG-005	831.458/2020	231816	8111211	743	10	0°	-90°
CLD-AUG-008	831.458/2020	231729.66	8112030.06	700.41	14	0°	-90°
CLD-AUG-009	831.524/2020	243116.58	8109928.11	927	15	0°	-90°
CLD-AUG-010	831.524/2020	243127.56	8109555.6	800.52	13	0°	-90°
CLD-AUG-011	831.524/2020	243125	8109132	735	10	0°	-90°
CLD-AUG-012	831.524/2020	243137	8108740	723	9	0°	-90°
CLD-AUG-013	831.524/2020	243115.34	8110723.48	835	20	0°	-90°
CLD-AUG-014	831.524/2020	243124.61	8110335.51	827	8	0°	-90°
CLD-AUG-015	831.524/2020	243121	8111135	780	12	0°	-90°
CLD-AUG-016	831.524/2020	243096.14	8111569.07	811	9	0°	-90°
CLD-AUG-017	831.524/2020	243123.461	8111909.108	933.581	17	0°	-90°
CLD-AUG-018	831.458/2020	230639.168	8111521.516	759.341	6	0°	-90°
CLD-AUG-019	831.458/2020	230257.521	8111350.682	776.508	12	0°	-90°
CLD-AUG-020	831.458/2020	231005.588	8111692.477	818	16	0°	-90°
CLD-AUG-021	831.458/2020	231367.13	8111861.01	726	12	0°	-90°
CLD-AUG-022	831.458/2020	232302.698	8112178.633	759.488	12	0°	-90°
CLD-AUG-023	831.458/2020	233027.146	8112514.173	829	17	0°	-90°
CLD-AUG-024	831.458/2020	233385.382	8112686.199	767.539	12	0°	-90°
CLD-AUG-025	831.458/2020	233749.438	8112853.31	822.239	14	0°	-90°
CLD-AUG-026	831.458/2020	234112.886	8113018.413	894.648	8	0°	-90°
CLD-AUG-027	831.458/2020	234837.48	8113360.62	895	13	0°	-90°
CLD-AUG-028	831.458/2020	235195.39	8113529.302	880.351	20	0°	-90°
Area B							
CLD-AUG-029	830.469/2023	249122.23	8083619.15	358.01	10	0°	-90°
CLD-AUG-030	830.469/2023	249233.64	8083241.84	287.56	3	0°	-90°
CLD-AUG-031	830.465/2023	248153.78	8085001.693	306.93	4	0°	-90°
CLD-AUG-032	830.462/2023	252394.42	8087348.35	404.27	17	0°	-90°
CLD-AUG-033	830.462/2023	252764.46	8087508.05	401.02	12	0°	-90°
CLD-AUG-034	830.462/2023	251670.951	8086948.748	380.834	10	0°	-90°
CLD-AUG-035	830.462/2023	252017.387	8087142.277	376.563	15	0°	-90°
CLD-AUG-036	830.465/2023	251317.42	8086753.133	409.814	16	0°	-90°
CLD-AUG-037	830.465/2023	250966.421	8086559.756	332.864	11	0°	-90°
CLD-AUG-038	830.465/2023	250277.034	8086169.481	387.18	10	0°	-90°
CLD-AUG-039	830.465/2023	250616.347	8086369.484	380.863	11	0°	-90°
CLD-AUG-040	830.465/2023	249917.933	8085978.974	391.644	12	0°	-90°
CLD-AUG-041	830.469/2023	250291.244	8079775.451	281.508	6	0°	-90°
CLD-AUG-042	830.469/2023	250367.455	8079395.499	306.851	13	0°	-90°
CLD-AUG-043	830.469/2023	250120.162	8080174.394	282.998	7	0°	-90°
CLD-AUG-044	830.469/2023	250001.109	8080509.643	289.907	4	0°	-90°
CLD-AUG-045	830.469/2023	249913.715	8080951.131	322.096	10	0°	-90°

Hole ID	Licence ID	X/Easting	Y/Northing	Z/RL	Depth	Azimuth	Dip
CLD-AUG-046	830.462/2023	254117.57	8088298.03	483.61	6	0°	-90°
CLD-AUG-047	830.462/2023	254475.88	8088480.7	503.62	10	0°	-90°
CLD-AUG-048	830.462/2023	255179.64	8088864.56	496.44	7	0°	-90°
CLD-AUG-049	830.462/2023	254807.94	8088670.34	524.59	8	0°	-90°
CLD-AUG-050	830.461/2023	255556.04	8089119.27	469.07	8	0°	-90°
CLD-AUG-051	830.462/2023	253754.96	8088111.1	628.48	11	0°	-90°
CLD-AUG-052	830.465/2023	249221.51	8085593.33	332.51	14	0°	-90°
CLD-AUG-053	830.465/2023	249586.35	8085799.87	387.2	13	0°	-90°

Source: Axel

Note: WGS84/UTM24S coordinate system

Appendix C Table 1 – JORC Code 2012

Table 1 – JORC Code 2012
Caladão Project

Caladão Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	▪ Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. ▪ Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. ▪ Aspects of the determination of mineralisation that are Material to the Public Report. ▪ In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	▪ Rock chip samples, each weighing approximately 1.5 kg. ▪ Reconnaissance soil samples were collected using a post hole digger. Samples were collected approximately 50 cm below the surface at regular intervals. ▪ Follow-up soil samples were collected at sites where reconnaissance soil samples yielded positive results. The follow-up soil samples were collected from the deeper parts of the oxidised profile as well as beyond the reconnaissance soil sampling area. ▪ Soil and rock chip samples as well as auger hole samples were assayed at the SGS laboratory in Vespasiano, Minas Gerais (SGS). ▪ The preparation involved drying and crushing to achieve a particle size of 90% passing 2 mm. ▪ A representative sub-sample for assay was obtained by pulverisation of a riffle split of the crushed sample. ▪ The pulverised sample was assayed using the SGS method ICM90A, which involved a sodium peroxide fusion and analysis for 55 elements, including all rare earth elements (REE), using ICP OES/ICP MS. ▪ Standards, duplicates and blanks were inserted in each batch of samples. ▪ Auger sampling took place at 2 m intervals until reaching the top of fresh rock. ▪ Samples were logged, bagged and sent to SGS.
Drilling techniques	▪ Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	▪ A motorised 2.5 hp soil auger was used to drill vertical holes with a diameter of 65 mm.
Drill sample recovery	▪ Method of recording and assessing core and chip sample recoveries and results assessed. ▪ Measures taken to maximise sample recovery and ensure representative nature of the samples. ▪ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	▪ All auger samples were weighed to determine recovery.

Table 1 – JORC Code 2012
Caladão Project

Criteria	JORC Code explanation	Commentary
Logging	▪ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. ▪ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. ▪ The total length and percentage of the relevant intersections logged.	▪ All samples were logged. The logged information, together with GPS coordinates for each hole, were linked to the assay database. ▪ Logging was conducted for each sample interval and the information is stored in a database. ▪ Logging information was used to define mineralised horizons within the oxidised profile, ▪ Detailed logging was conducted on each 1 m or 2 m auger sample to assist in the interpretation of mineralised horizons. ▪ The logging information is linked to the database for further analysis and interpretation. ▪ The additional crushed sub-sample, generated during the sample preparation, is currently stored in Axel's storage shed. ▪ The purpose of retaining this sub-sample is for future use in metallurgical testing.
Sub-sampling techniques and sample preparation	▪ If core, whether cut or sawn and whether quarter, half or all core taken. ▪ If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. ▪ For all sample types, the nature, quality and appropriateness of the sample preparation technique. ▪ Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. ▪ Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. ▪ Whether sample sizes are appropriate to the grain size of the material being sampled.	▪ Individual 1 m or 2 m auger samples were labelled with hole number, sample number and depth and then sent to SGS for sample preparation and assay. ▪ All individual samples were dried and crushed to achieve a particle size of 90% passing 2 mm. ▪ The crushed sample was split into two equal sub-samples using a riffle splitter, and one of the sub-samples was pulverised to a particle size of 90% passing 75 µm. ▪ All collected samples, including soil, auger samples, and rock chip samples, underwent similar treatment at SGS. ▪ The geological team weighed and bagged each sample, assigning a unique sample number and drill hole number to each bag. ▪ These sample batches were sent to SGS, where drying was conducted, and each sample was crushed to achieve a particle size of 90% passing 2 mm. ▪ The crushed samples were split into two equal portions using a riffle splitter, with one portion being pulverised to a particle size of 90% passing 75 µm. ▪ The pulverised sub-sample was used for assaying REE. ▪ The remaining samples were stored in Axel's storage shed for future use.

Table 1 – JORC Code 2012
Caladão Project

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	▪ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. ▪ For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. ▪ Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	▪ The pulverised sample was assayed using SGS method ICM90A, which involved a sodium peroxide fusion and analysis for 55 elements, including all REE, using ICP OES/ICP MS. ▪ Both Axel's own standards, duplicates, and blanks, as well as SGS's standards and blanks, were included in each batch of samples for quality control. ▪ Axel's QA/QC checks indicate acceptable analytical accuracy. ▪ Standards and blanks were inserted in the auger sample submissions at a frequency of 1 per each batch of 30 samples. Field duplicates were also inserted at the same frequency. ▪ The laboratory also regularly inserted standards, blanks and duplicates to monitor the quality of the results.
Verification of sampling and assaying	▪ The verification of significant intersections by either independent or alternative company personnel. ▪ The use of twinned holes. ▪ Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. ▪ Discuss any adjustment to assay data.	▪ No verification of significant intercepts was undertaken. ▪ No twinned holes were drilled. ▪ Primary data were recorded in the field and subsequently compiled into Excel spreadsheets. ▪ No adjustments made to the assay data.
Location of data points	▪ Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. ▪ Specification of the grid system used. ▪ Quality and adequacy of topographic control.	▪ Rock chip or soil sampling sites were recorded using handheld GPS. ▪ Auger drill hole collars were surveyed by handheld GPS. ▪ The datum of WGS84/UTM24S was used.
Data spacing and distribution	▪ Data spacing for reporting of Exploration Results. ▪ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. ▪ Whether sample compositing has been applied.	▪ Reconnaissance rock chip and soil sampling were conducted over the interpreted prospective area. ▪ Auger drill holes were completed on prospective areas outlined by the surface sampling. ▪ Surface sampling and auger drilling results were used to test potential mineralisation and were not to support any Mineral Resource estimation. ▪ No composite samples.
Orientation of data in relation to geological structure	▪ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. ▪ If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	▪ Not applicable.
Sample security	▪ The measures taken to ensure sample security.	▪ All surface or auger core samples were placed in numbered and sealed sample bags before being dispatched to the laboratory.
Audits or reviews	▪ The results of any audits or reviews of sampling techniques and data.	▪ No audits or reviews were completed.

Table 1 – JORC Code 2012
Caladão Project

Section 2 Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	▪ Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. ▪ The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	▪ 23 granted Exploration Licences and 7 Exploration licence applications, covering a total area of 417.68 km^2. ▪ SRK is not aware of any known impediments that will have an impact on the exploration in the area.
Exploration done by other parties	▪ Acknowledgment and appraisal of exploration by other parties.	▪ Not applicable.
Geology	▪ Deposit type, geological setting and style of mineralisation.	▪ The Caladão project is considered prospective for ionic adsorption clay (IAC)-type REE mineralisation.
Drill hole Information	▪ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: – easting and northing of the drillhole collar – elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar – dip and azimuth of the hole – downhole length and interception depth – hole length. ▪ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	▪ As presented in Appendix A and Appendix B of this report.
Data aggregation methods	▪ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. ▪ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ▪ The assumptions used for any reporting of metal equivalent values should be clearly stated.	▪ Not applicable.

Table 1 – JORC Code 2012
Caladão Project

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	▪ These relationships are particularly important in the reporting of Exploration Results. ▪ If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. ▪ If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	▪ All auger drill holes are vertical in relation to the mineralisation that tends to be sub-horizontal.
Diagrams	▪ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.	▪ As presented in this report.
Balanced reporting	▪ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	▪ Appropriate reporting of Exploration Results have been presented in this report.
Other substantive exploration data	▪ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	▪ Other relevant exploration data have been presented in this report.
Further work	▪ The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). ▪ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	▪ As presented in this report.

Caldas Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	▪ Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. ▪ Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. ▪ Aspects of the determination of mineralisation that are Material to the Public Report. ▪ In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	▪ Rock chip samples, each weighing approximately 1.5 kg. ▪ Reconnaissance soil samples were collected using a post hole digger. Samples were collected approximately 50 cm below the surface at regular intervals. ▪ Soil and rock chip samples were assayed at the SGS laboratory in Vespasiano, Minas Gerais (SGS). ▪ The preparation involved drying and crushing to achieve a particle size of 90% passing 2 mm. ▪ A representative sub-sample for assay was obtained by pulverisation of a riffle split of the crushed sample. ▪ The pulverised sample was assayed using the SGS method ICM90A, which involved a sodium peroxide fusion and analysis for 55 elements, including all rare earth elements (REE), using ICP OES/ICP MS. ▪ Standards, duplicates and blanks were inserted in each batch of samples. ▪ Auger sampling took place at 2 m intervals until reaching the top of fresh rock. ▪ Samples were logged, bagged and sent to SGS.
Drilling techniques	▪ Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	▪ Not applicable. No drilling was undertaken.
Drill sample recovery	▪ Method of recording and assessing core and chip sample recoveries and results assessed. ▪ Measures taken to maximise sample recovery and ensure representative nature of the samples. ▪ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	▪ Not applicable. No drilling was undertaken.
Logging	▪ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. ▪ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. ▪ The total length and percentage of the relevant intersections logged.	▪ All soil and rock chip samples were logged for colour and lithology. The logged information, along with GPS coordinates for each hole, were linked to the assay database. No drill samples were collected

Table 1 – JORC Code 2012
Caldas Project

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	▪ If core, whether cut or sawn and whether quarter, half or all core taken. ▪ If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. ▪ For all sample types, the nature, quality and appropriateness of the sample preparation technique. ▪ Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. ▪ Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. ▪ Whether sample sizes are appropriate to the grain size of the material being sampled.	▪ All individual samples were dried and crushed to achieve a particle size of 90% passing 2 mm. ▪ The crushed sample was split into two equal sub-samples using a riffle splitter, and one of the sub-samples was pulverised to a particle size of 90% passing 75 µm. ▪ All collected samples, including soil and rock chip samples, underwent similar treatment at SGS. ▪ The geological team weighed and bagged each sample, assigning a unique sample number and drill hole number to each bag. ▪ These sample batches were sent to SGS, where drying was conducted, and each sample was crushed to achieve a particle size of 90% passing 2 mm. ▪ The crushed samples were split into two equal portions using a riffle splitter, with one portion being pulverised to a particle size of 90% passing 75 µm. ▪ The pulverised sub-sample was used for assaying REE. ▪ The remaining samples were stored in Axel's storage shed for future use.
Quality of assay data and laboratory tests	▪ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. ▪ For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. ▪ Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	▪ The pulverised sample was assayed using SGS method ICM90A, which involved a sodium peroxide fusion and analysis for 55 elements, including all REE, using ICP OES/ICP MS. ▪ Both Axel's own standards, duplicates, and blanks, as well as SGS's standards and blanks, were included in each batch of samples for quality control. ▪ Axel's QA/QC checks indicate acceptable analytical accuracy. ▪ Standards and blanks were inserted in the auger sample submissions at a frequency of 1 per each batch of 30 samples. Field duplicates were also inserted at the same frequency. ▪ The laboratory also regularly inserted standards, blanks and duplicates to monitor the quality of the results.
Verification of sampling and assaying	▪ The verification of significant intersections by either independent or alternative company personnel. ▪ The use of twinned holes. ▪ Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. ▪ Discuss any adjustment to assay data.	▪ No verification of significant intercepts was undertaken. ▪ No twinned holes were drilled. ▪ Primary data were recorded in the field and subsequently compiled into Excel spreadsheets. ▪ No adjustments made to the assay data.
Location of data points	▪ Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. ▪ Specification of the grid system used. ▪ Quality and adequacy of topographic control.	▪ Rock chip or soil sampling sites were recorded using handheld GPS. ▪ Auger drill hole collars were surveyed by handheld GPS. ▪ The datum of WGS84/UTM24S was used.

Table 1 – JORC Code 2012
Caldas Project

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	▪ Data spacing for reporting of Exploration Results. ▪ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. ▪ Whether sample compositing has been applied.	▪ Reconnaissance rock chip and soil sampling were conducted over the interpreted prospective area. ▪ Surface sampling was used to test potential mineralisation and were not used to support any Mineral Resource estimation. ▪ No composite samples.
Orientation of data in relation to geological structure	▪ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. ▪ If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	▪ Not applicable.
Sample security	▪ The measures taken to ensure sample security.	▪ All surface or auger core samples were placed in numbered and sealed sample bags before being dispatched to the laboratory.
Audits or reviews	▪ The results of any audits or reviews of sampling techniques and data.	▪ No audits or reviews were completed.

Table 1 – JORC Code 2012
Caldas Project

Section 2 Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	▪ Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. ▪ The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	▪ 24 granted Exploration Licences and 4 Exploration licence applications, covering a total area of 232.26 km^2. ▪ SRK is not aware of any known impediments that will have an impact on the exploration in the area.
Exploration done by other parties	▪ Acknowledgment and appraisal of exploration by other parties.	▪ Not applicable.
Geology	▪ Deposit type, geological setting and style of mineralisation.	▪ The project is considered prospective for ionic adsorption clay (IAC)-type REE mineralisation.
Drill hole Information	▪ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: – easting and northing of the drillhole collar – elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar – dip and azimuth of the hole – downhole length and interception depth – hole length. ▪ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	▪ As presented in Appendix A and Appendix B of this report.
Data aggregation methods	▪ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. ▪ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ▪ The assumptions used for any reporting of metal equivalent values should be clearly stated.	▪ Not applicable.

Table 1 – JORC Code 2012
Caldas Project

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	▪ These relationships are particularly important in the reporting of Exploration Results. ▪ If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. ▪ If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	▪ All auger drill holes are vertical in relation to the mineralisation that tends to be sub-horizontal.
Diagrams	▪ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.	▪ As presented in this report.
Balanced reporting	▪ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	▪ Appropriate reporting of Exploration Results have been presented in this report.
Other substantive exploration data	▪ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	▪ Other relevant exploration data have been presented in this report.
Further work	▪ The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). ▪ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	▪ As presented in this report.

Table 1 – JORC Code 2012
Corrente Project

Corrente Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	▪ Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. ▪ Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. ▪ Aspects of the determination of mineralisation that are Material to the Public Report. ▪ In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	▪ No surface nor core sampling undertaken. Not applicable.
Drilling techniques	▪ Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	▪ No drilling completed.
Drill sample recovery	▪ Method of recording and assessing core and chip sample recoveries and results assessed. ▪ Measures taken to maximise sample recovery and ensure representative nature of the samples. ▪ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	▪ No drilling completed.
Logging	▪ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. ▪ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. ▪ The total length and percentage of the relevant intersections logged.	▪ No surface sampling nor drilling completed. Not applicable.

Table 1 – JORC Code 2012
Corrente Project

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	▪ If core, whether cut or sawn and whether quarter, half or all core taken. ▪ If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. ▪ For all sample types, the nature, quality and appropriateness of the sample preparation technique. ▪ Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. ▪ Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. ▪ Whether sample sizes are appropriate to the grain size of the material being sampled.	▪ No surface sampling nor drilling completed. Not applicable.
Quality of assay data and laboratory tests	▪ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. ▪ For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. ▪ Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	▪ No surface sampling nor drilling completed. Not applicable. The laboratory also regularly inserted standards, blanks and duplicates to monitor the quality of the results.
Verification of sampling and assaying	▪ The verification of significant intersections by either independent or alternative company personnel. ▪ The use of twinned holes. ▪ Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. ▪ Discuss any adjustment to assay data.	▪ No surface sampling nor drilling completed. Not applicable.
Location of data points	▪ Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. ▪ Specification of the grid system used. ▪ Quality and adequacy of topographic control.	▪ No surface sampling nor drilling completed. Not applicable.
Data spacing and distribution	▪ Data spacing for reporting of Exploration Results. ▪ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. ▪ Whether sample compositing has been applied.	▪ No surface sampling nor drilling completed. Not applicable.

Table 1 – JORC Code 2012
Corrente Project

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	▪ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. ▪ If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	▪ Not applicable.
Sample security	▪ The measures taken to ensure sample security.	▪ No surface sampling nor drilling completed. Not applicable.
Audits or reviews	▪ The results of any audits or reviews of sampling techniques and data.	▪ No audits or reviews were completed.

Table 1 – JORC Code 2012
Corrente Project

Section 2 Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	▪ Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. ▪ The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	▪ 3 granted Exploration Licences , covering a total area of 59.32 km^2. ▪ SRK is not aware of any known impediments that will have an impact on the exploration in the area.
Exploration done by other parties	▪ Acknowledgment and appraisal of exploration by other parties.	▪ Not applicable.
Geology	▪ Deposit type, geological setting and style of mineralisation.	▪ The Corrente project is considered prospective for alkaline-carbonatite type REE mineralisation. The geology of the project area is represented by Proterozoic paragneisses, granodioritic to tonalitic rocks. The area is also underlain by a regional magnetic survey.
Drill hole Information	▪ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: – easting and northing of the drillhole collar – elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar – dip and azimuth of the hole – downhole length and interception depth – hole length. ▪ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	▪ No drilling completed. Not applicable.
Data aggregation methods	▪ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. ▪ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ▪ The assumptions used for any reporting of metal equivalent values should be clearly stated.	▪ No surface sampling nor drilling completed. Not applicable.

Table 1 – JORC Code 2012
Corrente Project

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	▪ These relationships are particularly important in the reporting of Exploration Results. ▪ If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. ▪ If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	▪ No surface sampling nor drilling completed. Not applicable.
Diagrams	▪ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.	▪ As presented in this report.
Balanced reporting	▪ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	▪ Appropriate reporting of Exploration Results have been presented in this report.
Other substantive exploration data	▪ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	▪ The project area is covered by a regional magnetic survey, but no apparent anomalies are present. ▪ Other relevant exploration data have been presented in this report.
Further work	▪ The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). ▪ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	▪ As presented in this report.

Itiquira Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	▪ Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. ▪ Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. ▪ Aspects of the determination of mineralisation that are Material to the Public Report. ▪ In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	▪ No surface nor core sampling undertaken. Not applicable.
Drilling techniques	▪ Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	▪ No drilling undertaken. Not applicable.
Drill sample recovery	▪ Method of recording and assessing core and chip sample recoveries and results assessed. ▪ Measures taken to maximise sample recovery and ensure representative nature of the samples. ▪ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	▪ No drilling undertaken. Not applicable.
Logging	▪ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. ▪ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. ▪ The total length and percentage of the relevant intersections logged.	▪ No surface nor core sampling undertaken. Not applicable.

Table 1 – JORC Code 2012
Itiquira Project

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	▪ If core, whether cut or sawn and whether quarter, half or all core taken. ▪ If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. ▪ For all sample types, the nature, quality and appropriateness of the sample preparation technique. ▪ Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. ▪ Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. ▪ Whether sample sizes are appropriate to the grain size of the material being sampled.	▪ No surface nor core sampling undertaken. Not applicable.
Quality of assay data and laboratory tests	▪ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. ▪ For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. ▪ Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	▪ No surface nor core sampling undertaken. Not applicable.
Verification of sampling and assaying	▪ The verification of significant intersections by either independent or alternative company personnel. ▪ The use of twinned holes. ▪ Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. ▪ Discuss any adjustment to assay data.	▪ No surface nor core sampling undertaken. Not applicable.
Location of data points	▪ Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. ▪ Specification of the grid system used. ▪ Quality and adequacy of topographic control.	▪ No surface nor core sampling undertaken. Not applicable.
Data spacing and distribution	▪ Data spacing for reporting of Exploration Results. ▪ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. ▪ Whether sample compositing has been applied.	▪ No surface nor core sampling undertaken. Not applicable.

Table 1 – JORC Code 2012
Itiquira Project

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	▪ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. ▪ If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	▪ Not applicable.
Sample security	▪ The measures taken to ensure sample security.	▪ No surface nor core sampling undertaken. Not applicable.
Audits or reviews	▪ The results of any audits or reviews of sampling techniques and data.	▪ No audits or reviews were completed.

Table 1 – JORC Code 2012
Itiquira Project

Section 2 Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	▪ Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. ▪ The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	▪ 4 granted Exploration Licences 395.80 km^2. ▪ SRK is not aware of any known impediments that will have an impact on the exploration in the area.
Exploration done by other parties	▪ Acknowledgment and appraisal of exploration by other parties.	▪ Not applicable.
Geology	▪ Deposit type, geological setting and style of mineralisation.	▪ The Itiquira project is considered prospective for alkaline-carbonatite type REE mineralisation. The geology is represented by Cretaceous sandstones. A circular magnetic anomaly is present which might represent a covered alkaline-carbonatite complex.
Drill hole Information	▪ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: – easting and northing of the drillhole collar – elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar – dip and azimuth of the hole – downhole length and interception depth – hole length. ▪ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	▪ No drilling was undertaken. Not applicable.
Data aggregation methods	▪ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. ▪ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ▪ The assumptions used for any reporting of metal equivalent values should be clearly stated.	▪ Not applicable.

Table 1 – JORC Code 2012
Itiquira Project

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	▪ These relationships are particularly important in the reporting of Exploration Results. ▪ If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. ▪ If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	▪ No drilling was undertaken. Not applicable.
Diagrams	▪ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.	▪ As presented in this report.
Balanced reporting	▪ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	▪ Appropriate reporting of Exploration Results have been presented in this report.
Other substantive exploration data	▪ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	▪ A circular magnetic anomaly is present which might represent a covered alkaline-carbonatite complex. ▪ Other relevant exploration data have been presented in this report.
Further work	▪ The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). ▪ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	▪ As presented in this report.

ANNEXURE B

Solicitor's Tenement Report

Annexure B. Solicitor's Tenement Report

WILLIAM FREIRE
ADVOGADOS ASSOCIADOS

Belo Horizonte, June 05, 2024.

To
Axel REE Limited
832 High Street
Kew East VIC 3102

Solicitor's Tenement Report, Axel REE Ltd

Dear Sirs,

This solicitor's report on tenements (hereinafter the "Report") has been prepared for inclusion in the replacement prospectus dated on or about 6 June 2024, which replaced the original prospectus lodged on 23 May 2024, to be prepared and issued by the Australian company named Axel REE Limited (ACN 665 921 273) (hereinafter the "Company" or "Axel") for an initial public offering to issue 75,000,000 shares at $0.20 per share, to raise $15,000,000. (the "Prospectus").

I. Introduction.

1. We have been requested to issue this Report on the legal standing of 62 (sixty-two) tenements located in different regions of Brazil, mainly in the State of Minas Gerais, but also located in São Paulo, Piaui and Mato Grosso (hereinafter the "Axel Tenements"), expected to be soon owned by Axel REE Ltda. (hereinafter "Axel Brazil"), a Brazilian subsidiary of Axel.

2. All the Axel Tenements are currently held by "Foxfire Metals Ltda" (hereinafter "Foxfire").

3. In addition to the Axel Tenements, Sections VII.1 and VII.4 of this Report detail three additional tenements (hereinafter the "REE Tenements') that Axel Brazil holds the mineral rights to all rare earth elements and all other elements, excluding rights for Lithium. Axel Brazil does not directly hold the REE Tenements, but under the relevant agreements described in the abovementioned Sections, Axel Brazil holds the mineral rights to the rare earth elements and all other elements, excluding Lithium. Two of the REE Tenements are under the ownership of "Lobo Guara Mineração e Representação Eireli" (henceforth "Lobo Guara"), and one of the REE Tenements is owned and managed by Foxfire.

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4. **Scope**. The scope of this Report covers the following issues: (i) basic information on Axel Brazil; (ii) summary of the Brazilian legal system for obtaining mineral rights; (iii) analysis on the good standing and status of the Axel Tenements and the REE Tenements; (iv) basic information on the Brazilian legal system for obtaining environmental authorizations; (v) other information that could be considered material to investors.

5. **Limitation of scope**. Our analysis has been undertaken on the following basis:

i. this Report is based on public information of the Axel Tenements and the REE Tenements made available in the Brazilian Mining Agency ("ANM", in the Brazilian acronym) website, and we have not reviewed, and this Report does not cover, any matters in relation to financial, commercial, taxation, accounting, actuarial, insurance or information technology issues.

ii. we have assumed that the information and copies of documents provided to us are true, validly issued by the competent authorities, updated (unless otherwise expressed on the document), complete, authentic, accurate and valid, and that there are no other documents or facts that amend or otherwise change in any way the content of such documents.

iii. we have assumed that the documents we reviewed were duly authorized and signed and that the information they contained was true and correct in all aspects. We have assumed the genuineness of all signatures, the legal capacity of all individuals, the authenticity and completeness of all documents we reviewed.

iv. We have made no examination on the ground or maps or technical data to determine if any mineral resources or reserves correlate to or are encompassed by the Axel Tenements or the REE Tenements.

v. we have not conducted any searches or other investigations with respect to taxes assessed by or paid to applicable government authorities.

vi. the database used to prepare Sections III, IV, V, VI, and VII of this report is dated March 28, 2024, while Section II uses a database dated May 17, 2024.

6. **Jurisdiction**. We are solicitors qualified to practice law in Brazil and express no opinion as to any regulations or laws other than the regulations and laws of Brazil applicable therein. This Report and the opinions herein are limited to the current Brazilian laws applicable as at the date hereof.

7. **Sections**. In order to facilitate the understanding of the results of our analysis and the content of the Report, in Section II below we will address the corporate information and contingencies related to Axel Brazil. In Section III, we will provide a summary of the Brazilian legal

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system for obtaining mineral rights. Section IV will describe the legal and current status of the Axel Tenements. Section V will describe the legal and current status of the REE Tenements. Section VI will only describe the Brazilian legal system regarding environmental permits in order to allow mining activities to take place and Section VII has other information that could be considered material to investors.

8. This Report has only been prepared in relation to the specific matter set out herein. We are not reporting or opining on any matters not set out in this Report, including any agreements entered into by Axel, Axel Brazil, Foxfire and Lobo Guará that are not expressly mentioned in this Report. Specifically, we have not reviewed the Prospectus prepared by Axel and we do not accept any liability for any other part of the Prospectus.

9. William Freire Advogados Associados has given its written consent to be named as Brazilian legal adviser and tenement solicitor to the Company in the Prospectus in the form and context in which it is named and to the inclusion of this Report (and each reference to it) in the Prospectus in the form and context in which it is included and to all references in the Prospectus to this Report and William Freire Advogados Associados in the form and context in which they appear. William Freire Advogados Associados has not withdrawn its consent prior to the lodgement of the Prospectus with the Australian Securities and Investments Commission.

10. The information contained in this Report and the opinions expressed herein are intended for the use and benefit of the addressee and (other than as a result of its inclusion in the Prospectus) may not be relied on by, or distributed to, any other person or entity for any purpose without our prior written consent, provided that this report may be included in the Prospectus.

11. This Report is given as the date hereof, and the opinions expressed herein are given as the specific earlier date set out, and we disclaim any obligation or undertaking to update searches or investigations in respect of the Report or its subject matter after the data of this Report. References to "R$" in this Report are to Brazilian real.

II. Brazilian Subsidiary information.

12. Axel Brazil is a Brazilian limited liability company, duly incorporated in compliance with the laws of Brazil, enrolled with the Corporate Taxpayer Register (the "CNPJ", in the Brazilian acronym) under the No. 52.046.707/0001-32, headquartered in the City of Barueri, State of São Paulo. Axel Brazil is validly existing under Brazilian law, as its corporate documents are duly registered by the Brazilian Government Business Registration Service of São Paulo (in Portuguese, Junta Comercial do Estado de São Paulo).

13. Axel Brazil's current share capital R$ 5,000,000 (five million BRL), which is to be fully paid in within a period of up to 5 years from the formation of the company, being such capital represented by the issuance of 5,000,000 (five million) shares, with a value of R$1.00 (one BRL)

each. In Brazilian law, there is no time period or deadline to fully pay-in the share capital, however until Axel Brazil's share capital is fully paid-in, the shareholders are jointly and severally liable to having to pay with their own share capital and assets, in the event that the share capital is not enough to fully pay any actual compensation awarded by a Court. It is worth noting that Axel Brazil may reduce its share capital at any time, provided that unsecured creditors have the right to oppose to such reduction within 90 days from the date of the approval of the amendment of Axel Brazil's articles of association regarding share capital. The current and sole shareholder of the company is Axel, and it is solely managed by Fernando Henrique Bucco Tallarico, who are designated as the "Administrator", who will have the power to act independently to represent the company. Administrators shall act accordingly to the legal duties of their role, which includes conducting their activities diligently and solely pursuing the best interests of the company. Due to its nature of a limited liability company, Axel Brazil does not have a Board of Directors or an Audit Committee.

14. We have independently issued the certificates indicated in the Exhibit I on behalf of Axel Brazil, and to our best knowledge there is no current, pending or threatened actions, lawsuits, administrative proceedings, arbitrations, claims, or litigation of any kind involving Axel Brazil.

15. The aforementioned documents also indicate that Axel Brazil has no debts, contingencies, losses of any nature, as well as it is not an insolvent entity or bankrupt. Axel Brazil has no material assets other than the mining rights.

III. Summary of Brazilian legal system for obtaining mineral rights

16. The Brazilian legal system for obtaining and maintaining mineral rights and access to mineralized real estate properties is regulated by the Federal Constitution (article 176), by the Mining Code (Decree-Law no. 227/1967), by the regulation of the Mining Code (Decree No. 9.406/2018) and by ANM legislation.

17. The legislation indicated above contains the main rules that regulate mining activity in Brazil, from the filing of exploration applications to obtaining mining permits.

18. Briefly, such rules establish that:

18.1. Only companies organized under Brazilian laws, which have their main place of business and management located in Brazil, may conduct mining activities in Brazil. There is no restriction on foreign capital in the corporate structure for the region in which the Axel Tenements and the REE Tenements are located.

18.2. The mineral resources, regardless of whether they are located underground or have emerged therefrom, are a property of the Union (Federal Government) and are

different from that of the surface which can be owned by anyone. Mineral rights are assigned to interested individuals or entities if requested following specific regulation.

18.3. Exploration and mining depend on the Federal Government's consent.

18.4. The Federal Government has exclusive jurisdiction to legislate on deposits, mines, other mineral resources, and metallurgy.

18.5. Article 176 of the Brazilian Federal Constitution states that the products generated from mining activities belong to the holder of the mining permit.

18.6. Exploration applications, when filed in compliance with all document requirements stipulated by the applicable legislation, are subject to review and potential approval by the ANM. Once the exploration permits are granted, the holding companies have a timeframe of 60 (sixty) days to formally communicate the commencement of their exploratory activities. Concurrently, these companies will become liable for the payment of the Annual Hectare Fee ("TAH"). Given the regulatory compliance and the agency's standard operating procedures, it is generally expected that exploration permits, particularly for areas identified as free, will be authorized for a predetermined period.

18.7. The exploration permit will always be valid for a determined period (from one to four years), which may be extended as long as the requirements established in the applicable legislation are met[1]. If the extension request is granted, the renewal will take place according to the term requested by the holder of the mineral right, which, as previously stated, can be between 1 and 4 years.

18.8. In general, the legislation allows for a single extension of the exploration permit. An extension beyond this initial period will only be considered if access to the real estate within the mineral right's boundaries has not been obtained. To qualify for such extensions, the permit holder must demonstrate three cumulative factors: (i) they have initiated legal actions to secure possession of the necessary areas for exploration, as outlined in paragraph 18.20; (ii) they have complied with all legal requirements related to the ongoing lawsuit; and (iii) their actions or omissions have not contributed to the inability to complete the exploration within the extended permit period.

18.9. The exploration permit holder may explore any mineral substance that may be within the area of their exploration permit. If a different mineral substance from that

[1] The requirements for applying for a renewal are: (i) submit the application within 60 days of the expiry of the exploration permit; (ii) submit a report describing the exploration activities that have been carried out; (iii) submit a technical justification for continuing the exploration activities; (iv) pay the fee required by the ANM to analyse the renewal application, currently set at R$1,358.58 per tenement.

originally included in the exploration permit is found, the legislation only establishes the necessity to immediately inform the ANM of such a discovery.

18.10. During the exploration phase, the following obligations have been established as a condition for maintaining the good standing of the exploration permit: (i) to communicate the start of the exploration within the legal term – failure to comply with what the legislation determines will lead to the imposition of a fine; (ii) to pay the TAH[2] until the submission of the Final Exploration Report– failure to comply with what the legislation determines will culminate in the imposition of a fine and, if the default continues, on the exploration permit being forfeited; (iii) to submit to the ANM a Final Exploration Report within the validity period of the exploration permit or, alternatively, file a Partial Exploration Report and request an extension of the period of the exploration permit as legally required – failure to comply with what the legislation determines will culminate on the exploration permit being lost.

18.11. The ANM will be able to stipulate requirements for clarification of the technical documents submitted to its analysis, and, among them, the Final Exploration Report and the Economic Development Plan. Compliance with those requirements must take place within the deadline set by the ANM. The legislation allows such period to be extended, provided that (i) the request for extension is submitted within the originally indicated period; (ii) the request for extension has been duly justified, at the discretion of the ANM.

18.12. The Final Exploration Report must contain geological and technological studies quantifying the deposit and demonstrating the technical and economic feasibility of mining.

18.13. Once the Final Exploration Report has been submitted, the ANM can take one of the following decisions: (i) approve the report, when it is proven that the deposit is technically and economically feasible; (ii) not approve the report, when it is found that the exploration work is insufficient or that there are technical deficiencies in its preparation, which make it impossible to assess the deposit.

18.14. Once the Final Exploration Report is approved by the ANM, the mineral right owner will have up to 1 year to apply for the mining permit and submit the Economic Development Plan for analysis by the agency. The Economic Development Plan must be lodged with the documents and studies indicated in article 39 of the Mining Code and, among them, with projects referring to (i) the mining method to be adopted, referring to

[2] Currently, the value of the TAH is regulated by ANM Resolution nº 150/2024, which establishes the following values: (i) R$ 4,53 per hectare for exploration permits that have not yet been renewed; (ii) R$ 6,78 for exploration permits which terms have already been extended.

the initially planned production scale and its projection; (ii) surface transportation and ore processing and agglomeration; (iii) the construction of a tailings dam with the use of the upstream raising technique being forbidden.

18.15. The ANM may exceptionally grant a mineral right that allows mining activities to be carried out before granting the Mining Permit. This mineral right, which is known as *Guia de Utilização*, allows experimental mining to be carried out for a specified period and for previously established quantities.

18.16. The mining permit is valid until the exhaustion of the mine, meaning that there is no fixed term of a mining permit and, therefore, extensions of that term are not required.

18.17. The applicable legislation allows new substances to be added to previously granted mining permits. In this case, the holder of the mining permit must submit a reserves reassessment report and an update of the Economic Developments Plan for ANM approval. The mining of this new substance will depend on the approval of these documents by the ANM.

18.18. The assignment, lease or encumbrance of mineral rights depend on prior consent from the ANM. The requirements established by the applicable legislation to allow the transfer of mineral rights will vary depending on the stage the tenements are (there are specific requirements for the transfer of exploration permits, mining concessions and for proceedings in which the ANM is still analyzing the mining application). For Axel Tenements and REE Tenements, it will be necessary to demonstrate that the transferee meets the requirements set out in paragraph 18.1 and, in addition, to instruct the transfer request with (i) a copy of the assignment agreement and (ii) proof of payment of the fee charged by the ANM to analyze the request, currently set at R$703.55 per tenement. The analysis is objective, and the request will have to be granted whenever the legal requirements have been met.

18.19. Mining and exploration activities are allowed on public or private lands.

18.20. The applicable legislation does not require the mineral right holder also be the owner of the real estate properties interfering with the mining project. On the contrary, it establishes instruments such as Mineral Easement and the Judicial Appraisal of Income and Damage in order to ensure the possession of such areas for the mining or exploration activity, which is considered of public interest (article 5, f, of Decree-Law No. 3.365/1941) and exercised in the national interest (article 176, Federal Constitution).

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18.21. The landowner is entitled to receive a percentage in the mining results, as per the rule established by article 11, b, of the Mining Code. This percentage must be at least 50% of the amount that the mining permit holder must pay the Federal Government as CFEM[3].

18.22. Mining and or exploration activity on indigenous lands must still be regulated.

18.23. Mining and or exploration activity cannot be conducted in Full Protection Conservation Units or in other areas of additional sensitivity, as defined by law.

18.24. According to the ANM, there is no impediment to the granting of mining tenements in areas that were the object of ownership by *quilombola* communities, since they, according to the ANM, are not included in the concept of tribal people set forth in article 1 of OIT Convention No. 169. Though the ANM's current understanding is along these lines, there is a movement within the ANM to regulate this issue in the future, with the possible application of the rules of Convention 169 as a condition for the granting of mining tenements that may interfere with such communities.

18.25. In accordance with the ANM's current understanding, there is no automatic incompatibility between mining activities and the rural settlements created by the INCRA[4]. The coexistence of the activities must be made compatible, to the extent possible, as both are considered of public interest. Recently, INCRA published Normative Instruction No. 112 to regulate the use of areas in settlement projects by mining, energy, and infrastructure projects.

18.26. Non-compliance with the obligations set forth in the Mining Code or in its regulations subjects the miner to the following sanctions: warning, fines, and forfeiture of the mining tenement.

18.27. Article 42 of the Mining Code establishes that "the authorization will be refused if the mining is considered harmful to the public good or if it compromises interests that overcome the public interest of the industrial exploitation, at the discretion of the Government". Although the legal provision is not clear and does not use the best

[3] CFEM is a Financial Compensation for the Exploration of Mineral Resources, paid to the Federal Government for the economic use of these mineral resources and currently regulated by Federal Laws No 7.990/1990 and 8.001/1990. CFEM is levied on net revenue, in the case of the sale of raw and processed ore, or on the intermediate production cost, when the mineral product is consumed or transformed in an industrial process. The rates will vary according to the mineral substance. For bauxite and niobium, for example, it will be 3 per cent. For lithium and rare earths, it will be 2 per cent. Further information on the subject is available in Federal Law No. 8,001/1990.

[4] Basically, a rural settlement is a set of agricultural units independent among themselves, established by the National Institute for Rural Settlement and Land Reform - INCRA, where there was originally a rural property that belonged to a single owner. Each unit is delivered by the INCRA to a family lacking the economic resources to acquire and maintain a rural property through other means.

legislative technique, we understand that the term "authorization" must be understood as a mineral right. This provision was regulated by PROGE Opinion No. 500/2008, which was drafted to solve the conflict that usually exists between mining undertakings and energy generators and established that article 42 may only be applied if: (i) the activities are actually incompatible; (ii) it is demonstrated that the public interest will be better served from the prevalence of the energy undertaking to the detriment of the mining undertaking.

18.28. In some cases, the granting of a certain mineral right may be subject to the signing of a Waiver Term which, for the purposes set out in this Report, must be understood as follows: (i) the holder of the mineral right recognizes the existence of another project that, based on article 42 of the Mining Code, may prevail in the future over the mining project; (ii) the holder of the mineral right acknowledges that, as a consequence of the prevalence of this other project, his mineral right may be revoked in the future by the ANM.

18.29. If the mineral right is extinguished, the ANM will take steps to ensure that the area previously encumbered by it is returned to the market through a bidding procedure commonly known as "disponibilidade". The dynamics of the procedure is basically divided into two stages: (i) Public Offering, in which those interested in the areas present a statement; (ii) Electronic Auction, which occurs for areas that had more than one expression of interest. In the case of the Auction, the company that submits the highest bid for each area or block of areas will be considered the winner. If, on the other hand, there is only one person interested in a certain area, he will be called to request the granting of the mineral right within the period established in the public notice.

19. The analysis conducted by the firm sought, based on the public information available in the ANM website, to verify the adherence of the Axel Tenements and REE Tenements to the rules listed above.

IV. Axel Tenements

IV.1 Summary of findings

20. Axel Tenements are valid, as indicated in Exhibit III[5].

[5] With the exception of tenements 832092/2023 and 832093/2023. Please refer to paragraph 24 for more information.

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21. As mentioned above, Foxfire is the current holder of 62 (sixty-two[6]) Axel Tenements, which are in different regions of Brazil, mainly in the State of Minas Gerais, but also located on Sao Paulo, Piaui and Mato Grosso related to the exploration of lithium and rare earth elements.

22. Axel tenements comprises the exploration permits granted in claims Nos. 803030/2023, 803031/2023, 803032/2023, 820319/2023, 820286/2023, 820287/2023, 830082/2023, 830083/2023, 830084/2023, 830085/2023, 830451/2023, 830452/2023, 830453/2023, 830454/2023, 830455/2023, 830456/2023, 830458/2023, 830459/2023, 830461/2023, 830462/2023, 830463/2023, 830464/2023, 830465/2023, 830466/2023, 830469/2023, 830500/2023, 830505/2023, 830506/2023, 830515/2023, 830516/2023, 830527/2023, 830882/2023, 830884/2023, 830886/2023, 830888/2023, 830890/2023, 830891/2023, 830893/2023, 831084/2023, 831086/2023, 831087/2023, 831088/2023, 831089/2023, 831090/2023, 831092/2023, 866051/2023, 866052/2023, 866054/2023, 866055/2023, 830887/2023, 830889/2023 and 830895/2023.

23. Foxfire´s exploration permits are still in force and have not yet been the subject of any renewal requests as per paragraph 18.7. Therefore, the maintenance of the mineral rights, in addition to paying the TAH within the legal period, will depend on the presentation of a final exploration report by the dates indicated in Exhibit III. Alternatively, Foxfire may apply for an extension of its exploration permits terms, which must be submitted in the manner explained in paragraph 18.7.

24. Foxfire has also applied for exploration permits under claims 830457/2023, 830460/2023, 830467/2023, 830468/2023, 830880/2023, 830881/2023, 830883/2023, 830885/2023, that had not yet been analyzed by the ANM up to the closing date of this report. The applications filed under claims 832092/2023 and 832093/2023 were denied by ANM on November 28, 2023, as the ANM understood that the areas sought by Foxfire were already encumbered by priority mineral rights. Although the deadlines for filing an administrative appeal against these decisions expired on January 27, 2024, Foxfire has already applied for new exploration permits on the same area under tenements 833341/2023 and 833340/2023. This situation is better explored at topic IV.1.10.6.

25. In addition, the following conclusions apply to the Axel Tenements:

25.1 They are in good standing from a mining regulatory point of view[7], as the legal obligations required by the applicable legislation have been fulfilled in time and manner.

[6] Tenements 832092/2023 and 832093/2023 are not being taken into consideration due to ANM's denial regarding both processes.

[7] We have identified that the commencement of exploration activities for tenement 830464/2023 did not occur within the legal timeframe, a situation that may lead the ANM to issue a Notice of Violation for the imposition of a monetary penalty. However, non-compliance with this obligation is not sufficient to warrant

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25.2 Upon analysis of the information referred to in paragraph 5, (i) no administrative proceeding has been identified with a claim for cancelation, nullification, or forfeiture and (ii) no encumbrances have been identified.

25.3 According to the information made available by ANM on the closing date of this Report, no interferences by the tenements' polygonal with easement areas, gas pipelines, oil pipelines, wind farms, petrochemical complexes, military areas, quilombola lands or indigenous lands were identified. Therefore, it can be concluded that the activities authorized by the exploration permits will not suffer restrictions resulting from the interference of its polygon with such areas.

25.4 We have not identified, and we do not have any reason to think that there are encumbrances on the Axel Tenements.

25.5 There are (i) no minimum spending commitments to maintain the tenements (ii) no regime whereby part of the tenements must be relinquished over time.

25.6 There are no natives claims.

26. However, we have identified some points of attention that should be considered, and which will be better explained below.

IV.1.1 – The polygonals of some Axel Tenements overlap the area covered by APA Estadual do Alto Mucuri, APA Santuário Pedra Branca and APA Sussuarana.

27. The polygonals of some[8] Axel Tenements overlap the area covered by the APA Estadual do Alto Mucuri, APA Santuário Pedra Branca and APA Sussuarana ("APAs"), as per Exhibit III and figures 1, 2, and 3 of Exhibit II.

28. According to Federal Law 9.985/2000, an APA is classified as a form of conservation unit for sustainable use (art. 14, item I), with the aim of making nature conservation compatible with the sustainable use of part of its natural resources (article 7, §2).

29. In general, the law does not outright forbid potentially or actually polluting activities, like exploration or mining, within conservation units. However, it is essential to adhere to the

the loss of the mineral rights. Additional details regarding this point IV.1.10.2 can be found in Sections of this Report.

[8] Tenements 830466/2023, with a 0,11% interference with an APA, 831092/2023, with a 33,99% interference regarding the buffer zone of an APA, a 6,81% interference with an APA and 831.515/2020, with a 6,81% interference with an APA.

regulations outlined in the Conservation Unit's Management Plan and ensure cooperation with the unit's management authority during the environmental licensing process.

30. It must be noted that the Management Plans for the Santuário Pedra Branca and Sussuarana APAS have not yet been approved. Therefore, it is advisable to follow any determination of the State Secretariat for Environment and Sustainable Development of Minas Gerais ("SEMAD"), as those conservation units are in the state of Minas Gerais.

31. Nevertheless, the Alto do Mucuri Management Plan has been enacted, clearly forbidding mining activities in specific zones. One of these areas has a minor overlap (0.11%) with the boundaries of tenement 830.466/2023. It is essential to emphasize that no exploration or mining activities are allowed in this overlapping region.

IV.1.2 – The polygonals of some Axel Tenements overlap the area covered by Parque Estadual Águas da Prata, Parque Natural Municipal da Biquinha and Reserva Biológica Municipal Serra Pedra do Coração and the surrounding Buffer Zones.

32. We have identified that the polygonals of some[9] Axel Tenements overlap with the buffer zones surrounding the Parque Estadual Águas da Prata, Parque Natural Municipal da Biquinha and Reserva Biológica Municipal Serra Pedra do Coração, as delineated in Exhibit III and figures 4, 5, 6, 7 and 8 in Exhibit II.

33. As defined by Federal Law No. 9.985/2000, a buffer zone is characterized as an area surrounding a conservation unit, subject to specific norms and restrictions, aiming to minimize adverse impacts on the unit itself (Article 2, Item XVIII).

34. Generally, the law does not explicitly restrict the development of potentially or effectively polluting activities, such as exploration and mining, within these buffer zones. Rather, such activities are expected to adhere to the regulations and constraints outlined in the Management Plan for the Conservation Unit.

35. It's pertinent to note that, as of the time of this report, no Management Plans for Parque Estadual Águas da Prata or Parque Natural Municipal da Biquinha have been approved. Therefore, it would be prudent to follow any guidelines or determinations issued by the SEMAD where these conservation units are located.

36. Considering that the tenement 830451/2023 interferes not only with the buffer zone of the Parque Municipal da Biquinha but also with the park itself, it must be acknowledged that the area

[9] Tenements 820286/2023, with a 37,74% interference, 820287/2023, with a 0,24% interference, 820319/2023, with 4,67% interference, 830451/2023, with a 28,9% interference regarding the buffer zone and 0,95 % interference with the park itself and 831458/2020, with a 33,28% interference.

of interference with the park adheres to the regulations of restricted-use conservation units where mining and exploration activities are prohibited. Therefore, the percentage of interference identified in the footnote cannot be utilized for this purpose.

37. Given this context, it is advisable to carefully consider the ongoing regulatory situation and consult with SEMAD and other relevant bodies for up-to-date guidance. This will allow for better management of the challenges and opportunities presented by these overlapping areas.

IV.1.3 – The polygonals of some Axel Tenements overlap the area covered by Transmission Lines.

38. By consulting the public information systems provided by the ANM, it was possible to identify the existence of active transmission lines that overlaps part of some[10] Axel Tenements polygonals, as per Exhibit III and figures 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30 and 31 of Exhibit II.

39. We understand that this situation is not sufficient to remove the validity of the Axel Tenements. In any case, it is important to note that some field exploration and/or exploitation activities may be restricted to avoid any kind of damage to the transmission line.

40. It is also important to remember that the ANM may reduce the polygonal of a tenement in order to remove its interference with the transmission line. The reduction will only take place if it is demonstrated that (i) there is no compatibility between the exploration/mining activities and those necessary to allow the operation and maintenance of the transmission line and (ii) the public interest will be better served by the prevalence of the transmission line.

41. The analysis of compliance with these requirements must be done in a specific administrative procedure, initiated by the concessionaire responsible for the transmission line at the ANM, with adequate grounds and evidence. Only if, in the proper administrative procedure, after several technical analyses, the incompatibility between the undertakings is verified, would the Collegiate Board of ANM have conditions to (i) decide on the preponderance of one over the other and, understanding that the mining activity should be preferred in the specific case, (ii) order the other administrative bodies of the agency to reduce the tenements polygonal.

IV.1.4 – The polygonal of a Tenement overlaps an area governed by the Comissão Nacional de Energia Nuclear (CNEN) of Brazil

[10]Tenements 803031/2023, 830082/2023, 830083/2023, 830451/2023, 830453/2023, 830454/2023, 830455/2023, 830457/2023, 830458/2023, 830460/2023, 830466/2023, 830467/2023, 830468/2023, 830527/2023, 830883/2023, 830884/2023, 830885/2023, 830887/2023, 831084/2023, 831086/2023, 831088/2023, 831458/2020 and 831515/2020.

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42. The polygonal of an Axel Tenement[11] overlaps the area under the jurisdiction of the Comissão Nacional de Energia Nuclear (CNEN), with an expressive 98,91% interference, specifically in the region of Poços de Caldas, as shown in Exhibit III and figure 32 of Exhibit II.

43. Established by Law 4.118 of August 27, 1962, CNEN is a federal body affiliated with the Ministry of Science, Technology, Innovations, and Communications (MCTIC). The agency holds the authority for planning, guidance, supervision, and regulation of nuclear energy in Brazil, including the imposition of norms and regulations for radioprotection.

44. It is important to note that the extraction of non-radioactive minerals within areas overseen by CNEN requires the explicit consent of this body. Given that CNEN is vested with the authority to govern and regulate the use of nuclear energy, it is therefore crucial that any mining activities conducted in these overlapping areas comply fully with guidelines and directives issued by CNEN.

45. In summary, it is imperative for Foxfire to obtain necessary approvals from CNEN for mining activities in the overlapping areas. Compliance with CNEN regulations and subsequent coordination with the agency will be essential for the continuation of any planned or ongoing projects in these areas.

IV.1.5 – The polygonal of some Axel Tenements overlaps areas covered by the Reserva Particular do Patrimônio Natural (RPPN) Rio Grande

46. Our analysis has revealed that the polygonal of an some[12] Axel Tenement overlap with the area covered by RPPN Rio Grande, as indicated in Exhibit III and figure 33 and 34 in Exhibit II.

47. Article 21, §2º of Federal Law nº 9.985/2000 establishes that within a RPPN, only the following activities may be permitted as provided for in the regulations: (i) scientific research; (ii) visitation for tourism, recreational and educational purposes.

48. The understandings established about interference of mining rights areas with RPPN are described in PROGE Opinions 145/2006 and 525/2010, approved with normative force by the former General Director of the National Department of Mineral Production ("DNPM"). The conclusion of such normative states that mining and or exploration activities are forbidden inside any RPPN.

[11] Tenement 830890/2023.

[12] Tenements 830082/2023, with a 0,71% interference.

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49. In this sense, the ANM may initiate an administrative proceeding in order to reduce the tenements polygonals and remove its interference with both areas.

IV.1.6 – The polygonals of some Axel Tenements overlap areas affected by a hydroelectric plant project.

50. The polygonals of some Axel Tenements[13] overlap the operational area of the UHE Caconde Hydroelectric Plant, as illustrated in Exhibit III and figures 34 and 35 in Exhibit II.

51. We understand that this overlapping does not invalidate the tenements in question. However, it's crucial to underscore that certain exploration or mining activities might be restricted to prevent any adverse impact on the hydroelectric facility.

52. Additionally, it is worth noting that the ANM reserves the right to alter the polygonal shape of the mining tenements to mitigate their impact on the hydroelectric plant. Such changes would be contingent upon proving (i) an incompatibility between mining operations and the operations required for the hydroelectric plant's maintenance, and (ii) that the public interest is better served by prioritizing the hydroelectric facility.

53. This analysis should be conducted in a separate administrative procedure, initiated by the entity responsible for the hydroelectric plant with the ANM. It would necessitate comprehensive grounds and evidence. Only upon thorough technical analysis could the Collegiate Board of ANM make an informed decision on the priority between the mining and hydroelectric projects.

54. At this point, it is pertinent to mention that ANM has not required the signing of a Waiver Term for this particular overlap, as detailed in paragraph 18.28. Therefore, while a Waiver Term could be a future requirement, its absence at this juncture does not impede ongoing mineral operations.

55. Despite the tenements being in good standing and legally compliant, it remains a possibility that some restrictions or adaptations may be enforced due to the overlap with the UHE Caconde Hydroelectric Plant. Compliance with any future directives from ANM will be essential for uninterrupted operations.

IV.1.7 – Proximity of Axel Tenements to Subterranean Cavities

56. As evidenced in Exhibit III and figure 43 of Exhibit II, some Axel Tenements[14] interact with the natural subterranean cavity Lapa do Córrego do Veado (do Vieira), which is considered a

[13] Tenements 830083/2023, with a 4,39% interference and 830084/2023, with a 3,95% interference.

[14] Tenement 830453/2023.

federal asset and are governed by legislative frameworks, including the current Decree No. 10.935 of January 12, 2022.

57. The intervention regarding enterprises near these cavities starts with their identification and classification into four levels of relevance – maximum, high, medium, and low – based on criteria set forth in MMA's Normative Instruction No. 02/2009.

58. Based on the determined relevance, the mineral right holder must assess intervention or suppression possibilities as per the guidelines of Decree No. 10.935 of January 12, 2022.

59. Cavities of maximum relevance cannot sustain irreversible negative impacts and should be maintained in their physical and ecological integrity.

60. Cavities classified as high, medium, or low relevance may undergo irreversible impacts, subject to environmental licensing. For cavities with low relevance, no compensatory measures are required. However, for those of high or medium relevance, compensatory actions will be necessary.

IV.1.8 – Proximity of Axel Tenements to Urban Areas

61. A review of available data, corroborated by public records from the ANM and as depicted in Exhibit III and figures 36, 37 and 38 of Exhibit II, shows that some[15] Axel Tenements are near designated urban zones.

62. While there is no explicit prohibition against conducting mineral operations near urban areas, it should be noted that local zoning regulations could potentially impose limitations on such activities.

63. Furthermore, during the environmental licensing process, considerations related to urban planning and potential impacts on the urban environment must be jointly assessed. This is vital to ensure that mining activities are in alignment with sustainable urban development and community well-being.

64. Any potential restrictions or requirements due to the proximity to urban areas would be addressed in specific administrative proceedings. Such proceedings would involve an exhaustive review of zoning norms, environmental impacts, and community interests. Only upon completion of these assessments would a decision be made regarding the compatibility between mining operations and urban interests.

[15] Tenements 830082/2023, with a 0,66% interference, 830887/2023 with a 2,90% interference, and 830881/2023, with a 0,71% interference.

65. Ultimately, any final decision must weigh public interest and will be subject to proper administrative and legal channels, potentially leading to an alteration of the original Axel Tenements' polygonal dimensions to mitigate conflicts with urban areas.

IV.1.9 – Pending approvals for certain tenements and Subsequent regulatory requirements.

66. Among the mining tenements analyzed, we identified that 10 (ten) of them[16] are still pending approval by the ANM. As per the procedure outlined in paragraph 18.6, it is essential to wait for the exploration authorizations to be published, as per Exhibit III.

67. As previously mentioned, following the date of publication, the holder of the tenement will have 60 (sixty) days to communicate the commencement of exploratory activities and will be subject to the payment of the TAH.

68. During our review, we did not identify significant obstacles that could impede the approval and subsequent granting of the exploration permits for the mining tenements currently awaiting assessment, beyond those listed in the specific points of attention below.

IV.1.10 – Specific attention points

IV.1.10.1 – Tenement 830451/2023

69. It was verified that part of the polygonal of the exploration permit granted in claim 830451/2023 overlaps the area of the exploration application that gave rise to claim 832175/2009, applied by Eduardo Cardoso de Almeida, as demonstrated by Figure 39 of Exhibit II.

70. After further investigation, a noticeable discrepancy between the SIGMINE system and the actual legal status of the mining right area in question was noticed. This inconsistency likely arises from ANM's lack of system updates, as the absence of a Final Exploration Report from the 2009 proceeding should have led to the area being officially designated as "free," thereby removing it from the SIGMINE database altogether.

71. The overlap identified in SIGMINE does not pose any threat to the validity or maintenance of the exploration permit granted in claim 830451/2023. The discrepancy is due to outdated records in the SIGMINE system and should not be considered a real conflict or impediment. It's important to underscore that the area previously associated with claim 832175/2009 should

[16] Tenements 830457/2023, 830460/2023, 830467/2023, 830468/2023, 830880/2023, 830881/2023, 830883/2023, 830885/2023, 833341/2023 and 833340/2023.

already be categorized as "free," making it available for new mining rights and thus removing any potential for legal conflict.

IV.1.10.2 Tenement 830464/2023

72. The exploration permit for this tenement was published on 23/03/2023, which is why the commencement of exploration activities should have been reported to the ANM by 22/05/2023. However, this notification only occurred on 23/05/2023.

73. Therefore, it is expected that the ANM will draw up an Infraction Notice to impose a fine. The amount of the fine will be 33% of the Foxfire Estimated Budget Value, defined by ANM Resolution No. 122/2022[17] as the "*sum of the budgets for the exploration works indicated in the current Exploration Permits held by the offender obtained via Mining Registration System (SCM) and Electronic Mineral Exploration Application System (REPEM), or any instrument that may replace them, being calculated on December 31 of the year prior to the assessment*". It is important to highlight that this non-compliance is not sufficient to determine the loss of the mining right.

IV.1.10.3 Tenement 830881/2023

74. We have identified that a considerable portion of the polygonal area associated with the exploration application overlaps with the area of mining proceeding No. 820353/1972, owned by Companhia Geral de Minas, as referenced in Exhibit III and Figure 40 of Exhibit II.

75. The exploration application that led to claim No. 820353/1972 was filed prior to the one resulting in proceeding No. 830881/2023. Therefore, the polygonal area of the latter could not encompass that of the former. This suggests the possibility that the ANM may choose to reduce

[17] ANM Resolution No. 122/2022 faces a lot of controversial challenges, despise it theoretically being in force, it's not being applied in practice due to the bad reception the publication received by the mining sector. It's possible that the ANM may have to change its methodology in the future in order to actually enforce the sanctions. It should also be mentioned that when the obligation to report the commencement of exploration activities was not fulfilled, the formula for calculating the potential fine was not fully in effect. Consequently, Foxfire possesses solid grounds to contest the imposition of any fine, as actions are governed by the laws applicable at the time of occurrence. On June 01, 2023, ANM issued Resolution No. 136/2023, establishing the comprehensive formula for determining the fine's actual amount. Should ANM interpret Resolution No. 136/2023 as having retroactive implications, despite the absence of such provision within the resolution, the fine will equate to 3.12741% of Foxfire's Estimated Budget Value. This value may increase if Foxfire receives other fines when the penalty for not reporting the commencement of exploration activities is imposed or lower if Foxfire opts to promptly settle the fine without contesting the penalty through administrative means.

the polygonal area of proceeding No. 830881/2023 to eliminate any interference with the area defined in 820353/1972.

76. Importantly, tenement No. 820353/1972 is currently in the phase of mining concession, indicating a higher level of regulatory approval and operational readiness. This advanced status undermines any pretensions of gaining priority over the proceeding.

IV.1.10.4 Tenement 830883/2023

77. We have identified that a considerable portion of the polygonal of the exploration permit application overlaps with the areas of mining proceedings No. 820.353/1972, owned by Companhia Geral de Minas, and No. 810.917/1973, owned by Companhia Brasileira de Alumínio, as per Exhibit III and figure 41 of Exhibit II.

78. The exploration applications that gave rise to both claims – No. 810917/1973 and 820353/1972 – were filed before the one that led to proceeding No. 830883/2023. Consequently, the polygonal of the latter proceeding could not have encompassed those of the former ones. Given this, there exists the possibility that the ANM may opt to reduce the polygonal of proceeding No. 830883/2023 to eliminate interference with the areas of No. 810917/1973 and 820353/1972.

79. Importantly, both proceedings No. 810917/1973 and 820353/1972 are currently in the phase of mining concession, indicating advanced regulatory approval and operational readiness. This fact significantly undermines any attempt to gain priority over these proceedings.

IV.1.10.5 Tenement 830885/2023

80. We have identified that a considerable portion of the polygonal of the exploration permit application overlaps with several mining proceedings[18], as per Exhibit III and figure 42 of Exhibit II.

81. The exploration applications that gave rise to these claims were all filed before the one that led to proceeding No. 830885/2023. Consequently, the polygonal of the latter proceeding could not have encompassed those of the former ones. Given this, there exists the possibility that the ANM may opt to reduce the polygonal of proceeding No. 830885/2023 to eliminate interference with the listed areas.

[18] 818865/1971, 832344/2001, 834032/1996, 823813/1972, 820353/1972, 833089/2002, 830422/2004, 832595/2008 and 831170/1997.

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82. Importantly, most proceedings are currently in the phase of mining concession, indicating advanced regulatory approval and operational readiness. This fact significantly undermines any attempt to gain priority over these proceedings.

IV.1.10.6 Tenements 832092/2023 and 832093/2023

83. As of November 28, 2023, significant developments have emerged regarding tenements No. 832.092/2023 and 832.093/2023. The ANM has issued a denial of the exploration applications for these tenements, as outlined in the Denial Notices and corroborated by Technical Notes SEI No. 8864/2023-CAREAS-MG/DIOUT-MG/GER-MG and No. 8894/2023-CAREAS-MG/DIOUT-MG/GER-MG. These notes detail an interference removal study, concluding with total interference with other priority areas.

84. According to ANM:

84.1 Tenement 832.092/2023 completely overlaps the polygonal of the following tenements: 830.035/2019 (third party), 831.081/2021 (third party), 830.459/2023 (exploration permit owned by Foxfire), 830.460/2023 (exploration application filed by Foxfire) and 830.457/2023 (exploration application filed by Foxfire).
84.2 Tenement 832.093/2023 completely overlaps the polygonal of the following tenements: 830.862/2021 (third party), 830.467/2023 (exploration application filed by Foxfire) and 830.468/2023 (exploration application filed by Foxfire).

85. However, Foxfire has proactively submitted new exploration applications, 833341/2023 and 833340/2023, on November 28, 2023, for the areas where the initial tenements were denied. This move signifies a strategic pivot, reflecting adaptability in response to regulatory challenges.

86. Given the ANM's denial of tenement No. 832.092/2023 and 832.093/2023 due to interference issues, similar risks may also apply to Foxfire's new exploration applications, 833341/2023 and 833340/2023, filed on November 28, 2023. Therefore, we suggest that Foxfire takes proactive measures to address the issue and explains to the ANM the reasons why these new applications cannot be rejected, as they stem from the applications originally submitted in tenements 830460/2023, 830457/2023, 830467/2023, and 830468/2023.

87. If the new applications made to maintain the area are also denied based on the same grounds that ended up causing the denial of tenements 832092/2023 and 832093/2023, Foxfire will have 60 (sixty) days to present an administrative appeal for tenements 833341/2023 and 833340/2023. Considering the information provided, we believe that in the case of an appeal the ANM will recognize its errors and grant Foxfire the right to maintain the areas and start the exploration in a near future.

V The REE Tenements

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V.1 Summary of findings

88. The REE Tenements are valid, as indicated in Exhibit III.

89. This segment delves into the three REE Tenements, distinct from the Axel Tenements. Their individual examination stems from their role in a mineral rights sharing arrangement with Foxfire under which Axel Brazil has the rights to Rare Earth Elements. While not directly under Axel Brazil's ownership, these tenements, managed separately by Lobo Guará (two tenements) and Foxfire (one tenement), are integral to the Axel-Foxfire collaboration. The detailed analysis here aims to clarify their legal status and operational implications within this specific partnership framework.

90. The REE Tenements, include two tenements owned by Lobo Guará and one owned by Foxfire, identified as claim No 831.458/2020. Lobo Guará's tenements are situated in Minas Gerais and encompass an active exploration permit for claim No 831524/2020 and a pending application for claim No 831515/2020, which is awaiting ANM review as of this report's closure.

91. The ongoing validity of Lobo Guará's exploration permits is subject to specific considerations, detailed in sections V.1.1 and V.1.2. Maintaining these mineral rights hinges on timely TAH payments and the submission of a conclusive exploration report by the deadlines in Exhibit III. The pending exploration application of Lobo Guará is also included in our analysis, due to its distinct points of attention.

92. In addition, the following conclusions apply to the REE Tenements:

92.1 They are in good standing from a mining regulatory point of view, as the legal obligations required by the applicable legislation have been fulfilled in time and manner.

92.2 Upon analysis of the information referred to in paragraph 5, (i) no administrative proceeding has been identified with a claim for cancelation, nullification, or forfeiture and (ii) no encumbrances have been identified.

92.3 According to the information made available by ANM on the closing date of this Report, no interferences by the tenements' polygonals with easement areas, gas pipelines, oil pipelines, wind farms, petrochemical complexes, military areas, quilombola lands or indigenous lands were identified. Therefore, it can be concluded that the activities authorized by the exploration permits will not suffer restrictions resulting from the interference of its polygon with such areas.

93. However, we have identified some points of attention that should be considered, and which will be better explained below.

V.1.1 Tenement 831458/2020

94. It was possible to identify the existence of active transmission lines protected by blocking areas that overlaps part of the tenement polygonal, as per Exhibit III and figure 30 of Exhibit II. Therefore, the comments we have made in paragraphs 38 to 40 also apply here.

95. There is no overlapping with any kind of administrative blockade area regarding this tenement, only conventional transmission lines.

V.1.2 Tenement 831524/2020

96. Lobo Guará has already requested the ANM to transfer the tenement ownership to Foxfire. This transfer has been officially noted by the Regional Manager of the ANM in Minas Gerais through Official Letter No. 12756/2023/DIOUT-MG/ANM dated May 2, 2023. The ANM requested both parties to provide a ratified assignment agreement or a power of attorney with specific authority to transfer the mentioned tenement, within a 60-day period. Public records indicate compliance with this timeframe.

97. Although the extension request has not yet been reviewed and the expiry date of the exploration permit is approaching (May 5, 2024[19]), the mere expiry of the exploration permit combined with the extension request ensures that there is no impediment to continuing the exploration work until a final decision is made on the extension request.

V.1.3 Tenement 831515/2020

98. The polygonal of tenement 831515/2020 overlaps with provisional blocked areas for electrical transmission lines LT 500 kV Padre Paraíso 2 – Governador Valadares 6 C2 and LT 500 kV Poções III – Padre Paraíso 2 – C2, as illustrated in figure 31 of Exhibit II.

99. According to Technical Opinion No. 19/2021/SECOR-MG/GER-MG from the ANM, this overlap incurs a preventive blockade, governed by Legal Opinion PROGE No. 500/2008, item 43. This immediate suspension of analysis persists until the Ministry of Mines and Energy renders a decision on the provisional blockade.

[19] Two exploration permits were published, but the most recent one, issued on April 8, 2022, was annulled by the ANM, leaving only the permit from November 24, 2020, as valid. Since the issuance of the first exploration permit occurred during the COVID-19 pandemic, according to ANM Resolution No. 76, it is necessary to apply specific calculations to determine the actual expiration date of the permit, which is May 5, 2024.

100. However, ANM issued a decision on October 20, 2023[20], indicating that the granting of the exploration permit could occur either upon the removal of the existing interference with the blocked area or upon signing of the Waiver mentioned in paragraph 18.28. Either option has legal grounds. If the first alternative is chosen, it is possible that the Lobo Guará may need to file two additional exploration applications. If the second alternative is chosen, the considerations we made in paragraph 18.28 should be considered.

101. It was possible to identify the existence of active transmission lines that overlaps part of the tenement polygonal, as per figure Exhibit III and figure 31 of Exhibit III. Therefore, the comments we have made in paragraphs 38 to 40 also apply here. The tenement polygonal also overlaps the area covered by the APA Sussuarana, as per Exhibit III and figure 3 of Exhibit II. Therefore, the comments we have made in paragraphs 28 to 31 also apply here.

VI – Environmental affairs

102. In the complex landscape of mineral exploration and environmental law, it's crucial to differentiate between the exploratory phases of mineral exploration and the full-scale mining operations. This distinction carries significant implications for the legal requirements concerning environmental licensing. Understanding this difference is essential for the analysis of legislation across various states, namely Minas Gerais, Mato Grosso, São Paulo, and Piauí.

103. Mineral exploration, viewed environmentally, should not be conflated with actual mining operations. As it usually involves superficial fieldwork that does not necessitate environmental interventions like vegetation suppression or create environmental impacts, the activity is often exempt from the environmental licensing process.

104. Nonetheless, it's important to note that mineral exploration activities covered by a *guia de utilização* might entail experimental mining. Such activities may necessitate specific environmental authorization or licensing.

105. Regulatory agencies commonly distinguish between mineral exploration activities conducted with and without a *guia de utilização* in their environmental licensing guidelines. This distinction serves to determine whether the activity requires environmental licensing or another form of environmental authorization. Consequently, a thorough evaluation of the legislation in the states of Minas Gerais, Mato Grosso, São Paulo, and Piauí is imperative for this analysis.

106. In the state of Minas Gerais, Normative Deliberation COPAM No. 217/2017 delineates the activities requiring environmental licensing. It specifies that mineral exploration is subject to

[20] Although the decision is still pending publication in the Official Gazette, we understand that there is no legal restriction preventing the holder of the mineral right from already adopting on the options indicated by the ANM.

such licensing only if it involves the use of a *guia de utilização*, or if the title holder lacks a *guia de utilização* and fieldwork necessitates the suppression of vegetation in the Atlantic Forest biome at medium and advanced stages of regeneration.

> Art. 21 – Mineral research involving the use of a Guia de Utilização must be licensed according to the size and pollutant/degrading potential characteristics of mining activities and location criteria outlined in Table 3 in this Normative Deliberation. §1 – Mineral research is not subject to environmental licensing procedures when it does not involve the use of a Guia de Utilização issued by the entity responsible for its concession or does not involve the suppression of vegetation in the Atlantic Forest biome at medium and advanced stages of regeneration.
> §2 – The mineral research referred to in the previous paragraph does not exempt the entrepreneur from regularizing any environmental interventions and the use of water resources or implementing a Plan for the Recovery of Degraded Areas (PRAD), as applicable.

107. In the state of Mato Grosso, Complementary Law No. 592/2017 mandates that mineral exploration, whether or not it involves a *guia de utilização*, is an activity requiring environmental licensing. The law establishes a specific license for this type of activity.

> Art. 31 The SEMA, in the exercise of its competence, shall issue the following mandatory licenses and authorizations:
> [...]
> VIII - Operation License for Mineral Research (LOPM): authorizes mineral research activities with or without Guia de Utilização.

108. The "LOPM" is a single-phase environmental license, and to obtain it, the entrepreneur must submit to the environmental agency all documents and studies indicated in the Standard Reference Term No. 26/SUMIS/SEMA/MT.

109. As a rule, the environmental studies required to obtain the "LOPM" are the Environmental Control Report and the Plan for the Recovery of Degraded Areas, with the possibility for SEMA[21] (the environmental agency of the state of Mato Grosso) to request other studies as deemed necessary, according to Article 4, paragraph 5 of State Decree No. 697/2020[22].

[21] The environmental agency of the state of Mato Grosso.

[22] Article 4 - Individuals or legal entities interested in obtaining a license or authorization must prepare a technical project in accordance with the guidelines contained in the terms of reference issued by the State

110. This documentation will be reviewed by the environmental agency, and if it is complying, the license is issued, with a determined validity period according to the validity of the "guia de utilização" or the exploration permit.

111. Regular updates and renewals of the license are required, especially in case of project or ownership changes, with renewal applications due at least 120 days before the license expires. After overcoming the exploration phase and obtaining positive results, environmental licensing for mining activities must be arranged as a standard procedure.

112. In São Paulo, the regulations closely resemble those in Minas Gerais. Environmental licensing is required for mineral research that involves a *guia de utilização*. If *guia de utilização* is available and fieldwork necessitates vegetation suppression or intervention in certain areas, specific authorization from CETESB is required, as articulated in Article 3 of CETESB Board Decision No. 025/2014/C/I, dated 01/29/2014.

113. Lastly, in the state of Piauí, the roster of activities requiring prior environmental licensing is outlined in CONSEMA Resolution No. 033/2020, which has been ratified and amended by CONSEMA Resolution No. 40/2021. It should be noted that mineral exploration involving a *guia de utilização* is subject to licensing, as detailed in Code B1-001 of Annex I.

114. In summary, considering the information provided, particularly that the intended mineral exploration is not covered by any *guia de utilização* and won't require vegetation suppression, prior environmental licensing is only necessary in Mato Grosso.

115. After conducting mineral exploration and achieving satisfactory results, Axel should assess the environmental licensing rules for mining activities in each of the states evaluated here.

VII – Other Relevant Information

VII.1 Acquisition of the Axel Tenements and REE Tenements by Axel Brazil

116. Axel Brazil acquired the Axel Tenements and the REE Tenements through an agreement governed by the laws of Victoria, Australia. As we are only qualified to express opinions on matters related to Brazilian jurisdiction and law, our reporting will solely entail a summary of the terms and conditions of the agreement, without incorporating any analytical insights.

117. On November 2, 2023, Axel Brazil, Foxfire, Axel and Foxfire Metals Pty. Ltd. entered into an agreement for the purchase and sale of mineral rights related to the Axel Tenements and REE Tenements. This contract underwent variation on February 2, 2024 and May 17, 2024. Pursuant to the agreement, as amended on May 17, 2024, Axel Brazil acquired 100% legal interest and

Secretariat of the Environment. (...) § 5 - In the event of specific requirements of the enterprise, the technical sector may require complementary studies during the environmental licensing process.

100% beneficial interest in the Axel Tenements, the REE Tenements and all technical information related to these mineral rights in Foxfire's possession.

118. In consideration for the acquired assets, Axel Brazil agreed to pay AU$ 872,490.28, by the following terms and conditions:

118.1. Total of AU$ 319,168.50, which was paid in cash on November 9, 2023, and March 4, 2023.

118.2. The issue of 7,003,206 fully paid ordinary shares in Axel in favour of Foxfire, satisfying AU$ 420,192.38.

118.3. If Axel is listed on ASX on or before September 30, 2024, the remaining amount shall be satisfied through the issue of 832,059 fully paid ordinary shares in Axel in favour of Foxfire.

118.4. If Axel is not listed on ASX by September 30, 2024, the remaining amount shall be offset against a debt owed by Foxfire to Axel.

119. As further elucidated in Section VII.3, the Axel Tenements and REE Tenements are subject to royalty rights in favour of Mr. Carlos Alberto Ferreira Teles and Cap Holdings Pty Ltd. Axel Brazil agreed to assume all of Foxfire's obligations and rights related to said royalty rights, thereby taking on Foxfire's contractual position as the grantor of the royalties.

120. The parties agreed that Axel is responsible for any and all costs incurred on or after February 2, 2024, in relation to the Axel Tenements and the REE tenements.

121. Given that the REE Tenements are subject to the agreement referenced in Section VII.4, the parties have concurred on the following provisions concerning the REE Tenements:

121.1. Foxfire shall be the registered holder of the REE Tenements while these mineral rights remain subject to the joint venture agreement entered into by Foxfire and Spark Energy Minerals Inc., and Foxfire has a joint venture interest under such contract.[23]

121.2. If the REE Tenements cease to be subject to the joint venture agreement entered into by Foxfire and Spark Energy Minerals Inc. and Foxfire or Foxfire ceases to hold a joint venture interest under such contract, the REE Tenements shall be assigned to Axel Brazil for no further consideration.

[23] Please refer to Section VII.4 for more details about this agreement.

121.3. Foxfire agreed to not vary the joint venture agreement entered into by Foxfire and Spark Energy Minerals Inc., to maintain the REE Tenements in good standing and not relinquish any portion of them.

121.4. All lithium extracted from the REE Tenements shall be the property of Spark Energy Minerals Inc and all other minerals will be property of Axel.

122. The parties established that Foxfire should indemnify Axel Brazil from and against all losses, damages and costs arising from any incorrectness, falsehood or misleadingness of any representation and warranties provided by Foxfire, to extent that they are in connection with:

122.1. The transactions contemplated by the agreement.

122.2. Any matters disclosed in the agreement or in this Report.

122.3. Any matters disclosed to Axel Brazil in writing during the course of the due diligence performed to prepare this Report.

123. Indemnities will be limited to the amounts paid as consideration. Furthermore, Foxfire is not liable for any claim for a breach of a representation or warranty unless:

123.1. Full details of the claim have been notified to Foxfire within 12 months after the settlement date[24].

123.2. The individual amount of a claim or the aggregate amount of multiple claims which are being made exceeds AU$ 40,000.

124. No party may assign any of the rights and obligations under the agreement, and no party may allow the creation of any encumbrance or by any form dispose of its interests in the Axel Tenements and REE Tenements, without prior written consent of the counterparty.

VII.2 Assignment Agreement of Axel Tenements

125. On November 2, 2023, Axel Brazil and Foxfire executed the “Mining Rights Assignment Agreement”. This document outlines the specific terms and conditions governing the assignment of the Axel Tenements and REE Tenements from Foxfire to Axel Brazil in Brazil. Given the existence of the master contract governed by Australian laws that sets forth the considerations for the transfer of the Axel Tenements from Foxfire to Axel Brazil mentioned in Section VII.1, these parties have explicitly declared that, for legal purposes in Brazil, the “Mining Rights Assignment Agreement” is executed without any form of consideration, essentially resembling a donation. Notwithstanding the absence of consideration, the parties agreed to establish a purchase price,

[24] The settlement date shall be February 02, 2024, or any other date agreed by the parties.

if it is found that this will result in lower tax costs to the assignment of the assets to Axel Brazil, while preserving the provisions of the contract mentioned in Section VII.1.

126. The Parties have already executed the agreement necessary for lodging an application for the transfer of the Axel Tenements to Axel Brazil. As the other documents could be easily obtained, which includes the receipt of payment of fees, the parties can apply for the transfer of the Axel Tenements on short term. While the assignment is not registered by ANM, Foxfire agreed to allow Axel Brazil to conduct exploration works on the areas of the Axel Tenements, which shall be interpreted as outsourcing parts of the exploration activities exemplified in article 9 of Decree No. 9406/2018. The REE Tenements shall be assigned to Axel Brazil under the conditions set forth in the agreement mentioned in Section VII.1.

127. Axel Brazil and Foxfire may terminate the agreement in case of any material breach of representation or warranty, as well as if the other party fails to timely perform any material covenant. Beyond the usual representations and warranties for this type of transaction, such as that Foxfire owns 100% of the Axel Tenements and can transfer it, Axel Brazil warranted and represented that it is aware of the issues listed on Exhibit III of this Report related to the Axel Tenements and to the REE Tenements. Furthermore, Axel Brazil made a covenant to comply, in relation to and as the holder of the Axel Tenements, with the contract mentioned in Section VII.1 of this Report, as well as of the royalty agreement cited in Section VII.3. Moreover, the parties agreed that, if there is any provision in this agreement that contradicts the contract governed by Australian laws mentioned above, the latter shall prevail.

128. Axel Brazil agreed to indemnify Foxfire for any losses arising from any incorrectness in, non-compliance with, or breach of any representation or warranty, as well as any breach or non-performance by the Assignee of any covenant. By its turn, Foxfire agreed to indemnify Axel Brazil for the same reasons above and also for any commission or other remuneration payable to any broker in connection with the agreement, for any issues relating to ownership, operation, and condition of the Axel Tenements and for any environmental liability.

VII.3 Royalties to third parties

129. Between 2019 and 2022, Foxfire entered into joint venture agreements with a third company named Lobo Guara Mineração e Representação Eireli (hereinafter "Lobo Guara") and other companies controlled by its majority shareholder, Mr. Carlos Alberto Ferreira Teles. Among other obligations outlined between the parties, Foxfire agreed to pay royalties. On June 30, 2022, Foxfire entered into the "Mining Tenements Assignment Agreement", wherein the parties set forth that, in consideration for acquiring the REE tenements and other mineral rights, Foxfire would pay royalties and other consideration.

130. On March 3, 2023, an agreement was reached among Foxfire, Foxfire Metals Pty. Ltd., Mr. Patrick John Volpe (for his nominee, Cap Holdings Pty Ltd. (ACN 139 779 203), and acting as a

trustee for Cap Trust), Lobo Guara, Mr. Carlos Alberto Ferreira Teles, and other companies in which Mr. Teles has an interest, to consolidate all pending obligations among these parties into a single contract for simplification.

131. In the contract mentioned above, the parties involved declared that there were no outstanding payments to be settled among them arising from, and no remaining obligations related to, the joint venture agreements. Additionally, they specified that the exploration and mining rights subject to said contracts were transferred without any restrictions or limitations in relation to the substances involved. Moreover, the parties set forth that Foxfire Metals Pty. Ltd. would issue 10,000,000 (ten million) fully paid-in ordinary shares, free of any encumbrances, in favour of Mr. Carlos Alberto Ferreira Teles. Furthermore, they agreed to confirm that all royalties granted in the agreements signed between 2019 and 2022 would be paid and calculated according to the terms outlined in a royalty agreement included as an exhibit.

132. Under this agreement to consolidate obligations, the Parties established that they would indemnify each other for any losses resulting from a breach or violation of representations and warranties and from non-compliance with obligations. Furthermore, the contract may only be terminated only by mutual consent of all parties.

133. As a result of the aforementioned royalty contract included as an exhibit[25], as amended and varied as set out in the Deed of Assumption and Variation entered into by the parties on February 6, 2024, the Axel Tenements are subject to a 3% gross revenue royalty as of the date of commencement of mining. Similarly, the REE Tenements are subject to a 2% gross revenue royalty on sales of lithium extracted from the tenements and a 3% gross revenue royalty on sales of other substances.

134. Under the royalty agreement, "gross revenue" encompasses all revenue, income, receipts, and consideration received by the holder of the Axel Tenements and the REE Tenements from the sales of any minerals extracted from the areas. If Foxfire sells minerals extracted from the Axel Tenements or the REE Tenements at prices or terms less favourable than those which would be paid and agreed to by a third party in an arm's length transaction under similar circumstances, the "gross revenue" shall be calculated by multiplying the quantity of products commercialized by a quarterly average spot price obtained by using the industry standard in Brazil for establishing an average spot price for the applicable minerals. If the payments are subjected to taxes, foreign exchange fees or similar charges, they shall be supplemented so that the grantees receive the net amounts as if there were no withholding or reductions on the royalties.

135. The royalty payments shall be made quarterly. If the grantees object to the value of the royalties, disputes involving amounts equal to or less than BRL 1,000,000.00 will be resolved by

[25] The royalty agreement was executed on March 3, 2023.

an expert, while disputes involving values greater than BRL 1,000,000.00 will be resolved through arbitration. The grantees have no power to interfere in Foxfire's activities and how it will conduct its operations, including the decision to mine an area or not; however, Foxfire may only assign the Axel Tenements if the assignee agrees to comply with the royalty agreement.

136. Foxfire shall have to keep true, complete, correct and consistent books and records of all operations related to the Axel Tenements and the grantees are entitled to audit them, as well as to conduct on-site inspections. It is worth noting that Foxfire has the right of first refusal to acquire the royalties.

137. Finally, Foxfire agreed to indemnify the grantees for any losses resulting from a breach or violation of representations and warranties, from non-compliance with obligations, including the ones arising from the applicable law, and from loss of mineral rights due to technical errors.

138. As set out in the Deed of Assumption and Variation entered into by the parties on February 6, Axel Brazil agreed to assume all Foxfire's obligations and rights under the royalty agreement and comply with it, thereby taking on Foxfire's contractual position as the grantor of the royalties.

VII.4 Agreement between Foxfire and Spark Minerals Inc. relating to the REE Tenements

139. The agreement between Foxfire and Spark Minerals Inc. ("Spark") concerning the REE Tenements holds significant relevance to this Report, as it impacts the REE Tenements. Hence, our focus will be limited to matters pertinent to this Report.

140. Furthermore, it's important to note that this contract is subject to the laws of Victoria, Australia. Since our expertise lies in matters pertaining to Brazilian jurisdiction and law, our reporting will consist solely of a summary of the terms and conditions of the agreement, without incorporating any analytical insights.

141. On October 20, 2022, Foxfire and Spark entered into a mineral rights joint venture agreement in relation to the REE Tenements, along other mineral assets. Under this agreement, Foxfire transferred the rights to explore and mine lithium to the unincorporated joint venture, while maintaining legal ownership of the REE Tenements. The parties agreed that the rights to explore and mine other substances are concurrent with the rights related to lithium.

142. The following rules govern the coexistence of a lithium-focused project and potential ventures involving substances other than lithium:

142.1. Where non-lithium minerals occur in conjunction with lithium, the parties shall discuss to agree the bases on which possession of the lithium minerals shall be delivered to Spark.

142.2. If it is not reasonably and practically possible to separate lithium from non-lithium elements, Foxfire is entitled to retain all minerals extracted from the REE Tenements.

142.3. Both parties committed to consult, including prior to commencing any exploration, each other to ensure that there is minimal conflict between their activities and meet regularly to discuss their exploration activities.

142.4. If, after consulting each other, Foxfire still considers that the exploration or feasibilities activities being conducted in the REE Tenements by Spark would conflict or intervene with Foxfire's activities, Foxfire shall have priority over Spark's activities, but only for so long as such perceived or actual conflict or interference exists.

142.5. If a party decides to mine within the REE Tenements, the parties will consult each other to consider whether a further document to govern the interaction of the proposed development is considered necessary or desirable.

142.6. Any environmental and rehabilitation obligations in respect of the REE Tenements in respect of, or arising because of, any activities by a party on the areas shall be the responsibility of, and be borne by, that party.

143. This contract may only be terminated by written agreement or when the assets are expired, surrendered, forfeited, by other mean, lost. Furthermore, Foxfire may only forcibly purchase Spark's interest due to a non-payment default event.

VII.5 Validity of the IPO according to Brazilian law

144. The IPO will not contravene any statute, law, rule, judgement, regulation or decree in Brazil and will require no authorization, approval, or other actions by and no notice to or consent of any governmental authority or regulatory body in Brazil. We were not provided agreements in which the IPO would constitute default, breach or violation.

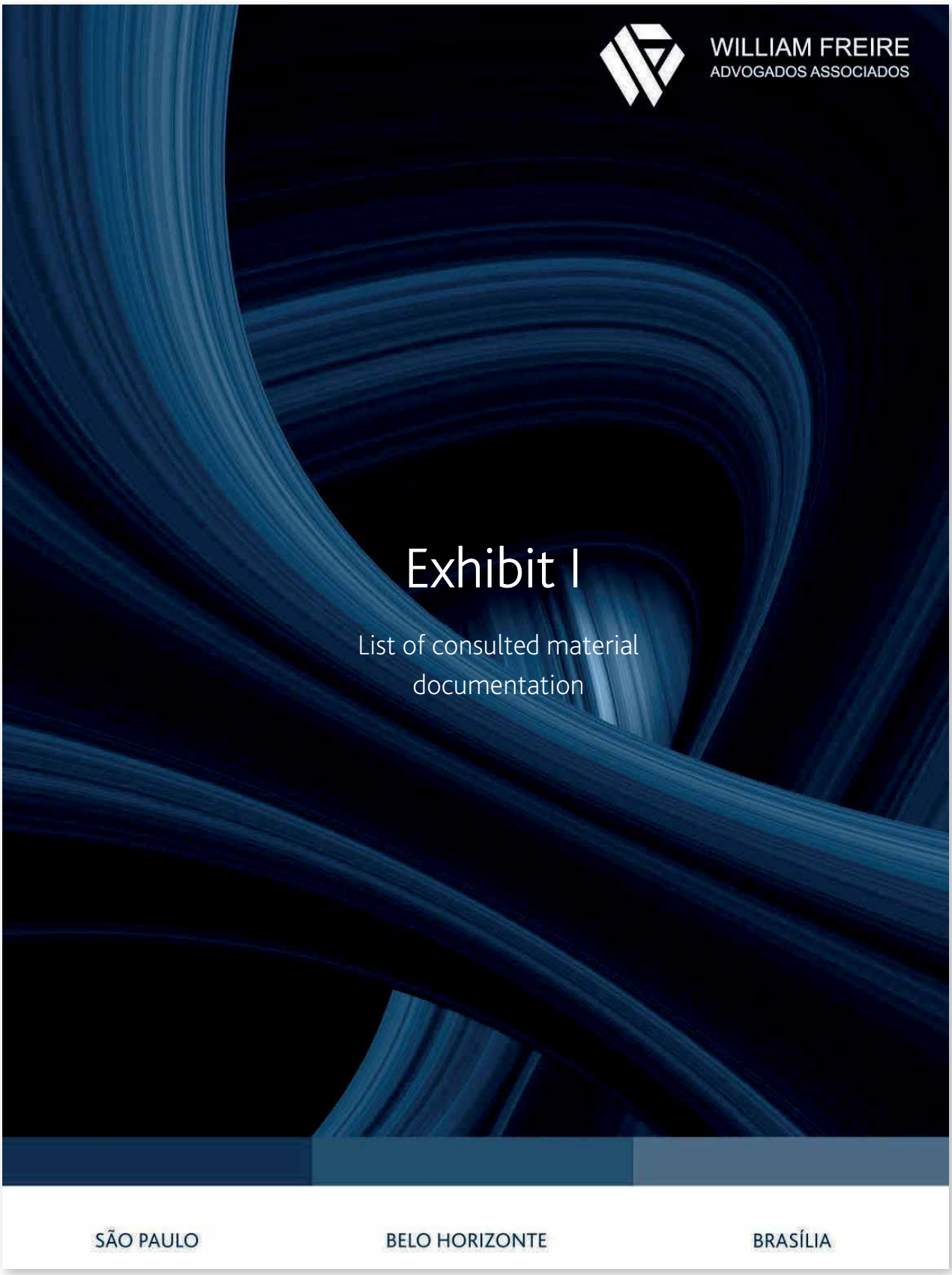
VIII - Closure

145. This Opinion is issued only in accordance with the laws of Brazil in force on the date hereof and does not express any opinion in accordance with the laws of any other jurisdiction.

146. We also emphasize that this Opinion is restricted to what was provided in paragraphs 4 and 5, and does not cover any technical, operational, commercial, or financial aspects of the Axel Tenements.

Yours truly.

Wiliam Freire Advogados Associados


WILLIAM FREIRE
ADVOGADOS ASSOCIADOS
Exhibit I
List of consulted material documentation
SÃO PAULO
BELO HORIZONTE
BRASÍLIA

1	Certificate of Enrollment with the Corporate Taxpayer Register.
2	Certificate of Federal Public Debt.
3	Certificate of State Public Debt (São Paulo).
4	Certificate of Municipal Public Debt (Barueri).
5	Certificate of Official Letters and Administrative Proceedings of the Federal Public Prosecutor's Office.
6	Certificate of Official Letters and Administrative Proceedings of the State Public Prosecutor's Office (São Paulo).
7	Certificate of Labor Lawsuits regarding the 3rd, 15th, 22nd and 23rd Regions Courts.
8	Certificate of Criminal Actions before the Federal Regional Court of the 1st, 3rd and 6th Regions.
9	Certificate of Civil and Bankruptcy Actions before the Federal Regional Court of the 1st, 3rd and 6th Regions.
10	Corporate by-laws, articles of association, and joint-stock company's directors' instruments of investitures.
11	Certificates of Protests.

PRELIMINARY REPORT

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EXHIBIT II

Compilation of figures demonstrating overlaps

WILLIAM FREIRE
ADVOGADOS ASSOCIADOS

SÃO PAULO BELO HORIZONTE BRASÍLIA

Overlaps

APA Estadual do Alto Mucuri, APA Santuário Pedra Branca and APA Sussuarana

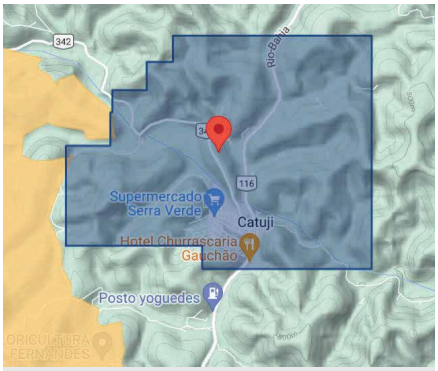

Figure 1 - 830466/2023
APA Estadual do Alto Mucuri.

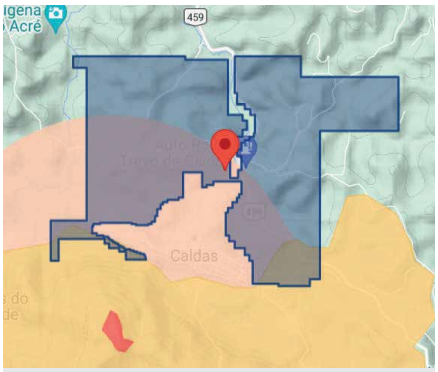

Figure 2 - 831092/2023 APA Estadual do Alto Mucuri and Reserva Biologica Municipal Serra Pedra do Coracao buffer zone.

Figure 3 - 831515/2020
APA Sussuarana.

Figure 4 - 820286/2023 Parque Estadual Águas da Prata.

Overlaps

Buffer Zones of Parque Estadual Águas da Prata, Parque Natural Municipal da Biquinha and Reserva Biologica Municipal Serra Pedra do Coração

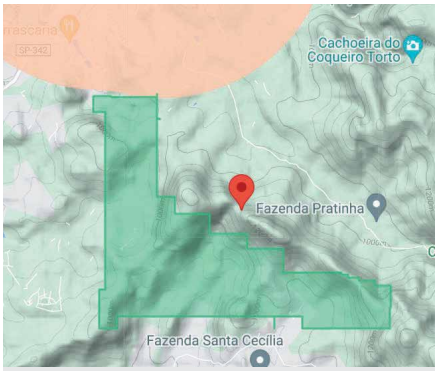

Figure 5 - 820287/2023
Parque Estadual Águas da Prata.

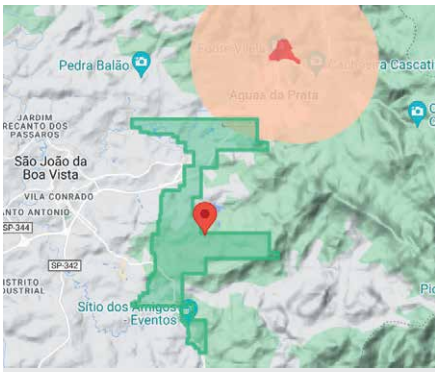

Figure 6 - 820319/2023
Parque Estadual Águas da Prata.

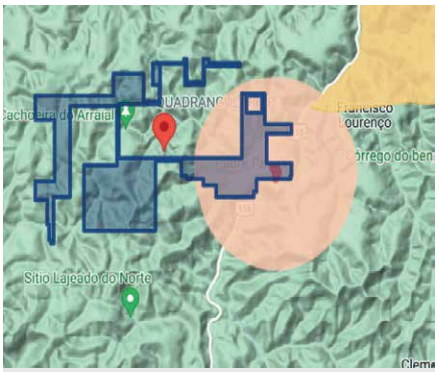

Figure 7 - 830451/2023
Parque Natural Municipal da Biquinha.

Figure 8 - 831458/2020 Parque Natural Municipal da Biquinha.

Overlaps
Transmission Lines

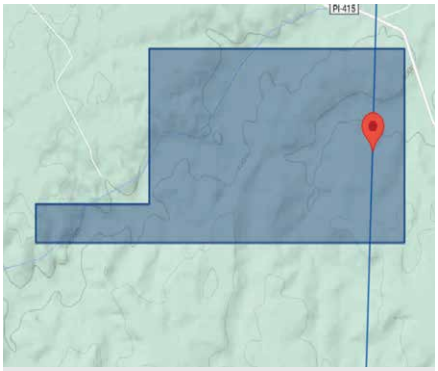

Figure 9 - 803031/2023 LT 500 kV
Barreiras II - Gilbués II, C2.

Figure 10 - 830082/2023 LT 345 kV
Poços de Caldas - UHE Furnas C1.

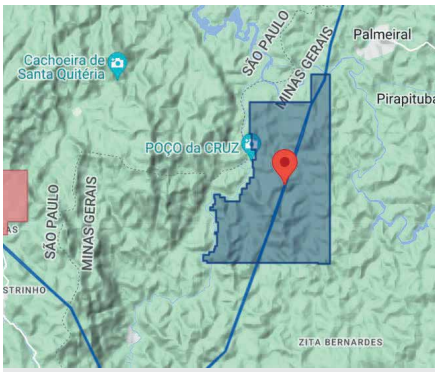

Figure 11 - 830083/2023 LT 345 kV
Poços de Caldas - UHE Furnas C1.

Figure 12 - 830451/2023 LT 500 kV
Padre Paraíso 2 - Governador Valadares 6, C1.

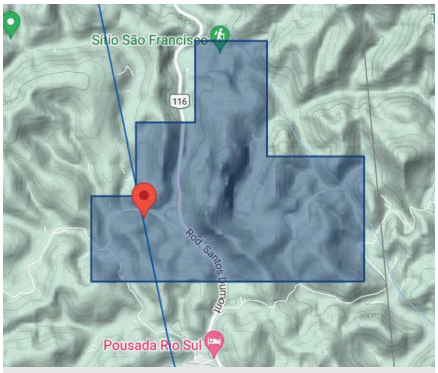

Figure 13 - 830453/2023 LT 500 kV
Padre Paraíso 2 - Governador Valadares 6, C1.

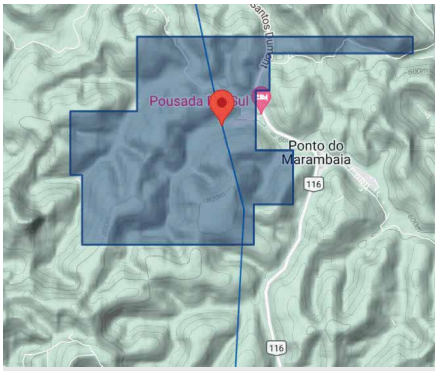

Figure 14 - 830454/2023 LT 500 kV
Padre Paraíso 2 - Governador Valadares 6, C1.

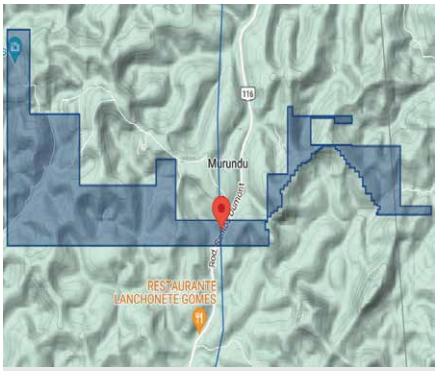

Figure 15 - 830455/2023 LT 500 kV
Padre Paraíso 2 - Governador Valadares 6, C1.

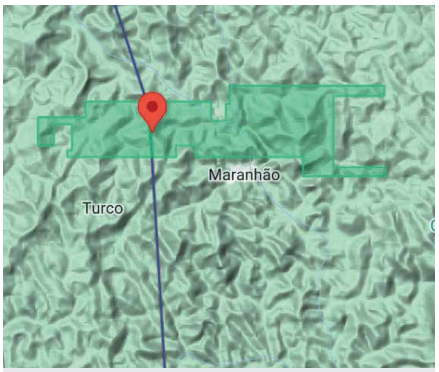

Figure 16 - 830457/2023 LT 500 kV
Padre Paraíso 2 - Governador Valadares 6, C2.

Figure 17 - 830458/2023 LT 500 kV
Padre Paraíso 2 - Governador Valadares 6, C1.

Figure 18 - 830460/2023 LT 500 kV
Padre Paraíso 2 - Governador Valadares 6 C2.

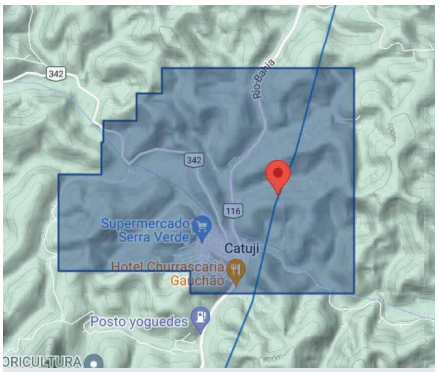

Figure 19 - 830466/2023 LT 500 kV
Padre Paraíso 2 - Governador Valadares 6, C1.

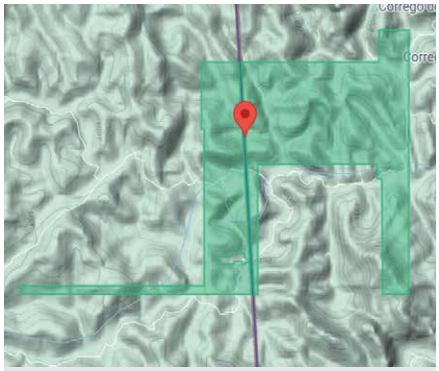

Figure 20 - 830467/2023 LT 500 kV
Padre Paraíso 2 - Governador Valadares 6, C2.

Figure 21 - 830468/2023 LT 500 kV
Padre Paraíso 2 - Governador Valadares 6, C2.

Figure 22 - 830527/2023 LT 500 kV
Padre Paraíso 2 - Governador Valadares 6, C1.

Figure 23 - 830883/2023 LT 345 kV
Atibaia II - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C2 and LT 345 kV Campinas - Poços de Caldas C1.

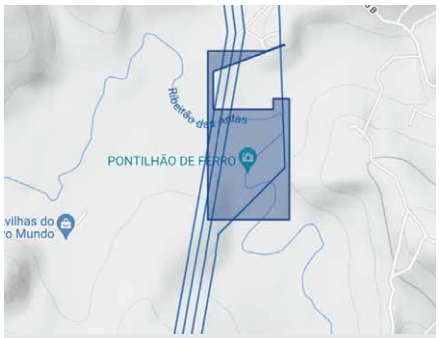

Figure 24 - 830884/2023 LT 345 kV
Atibaia II - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C2 and LT 345 kV Campinas - Poços de Caldas C1.

Figure 25 - 830885/2023 LT 345 kV
Atibaia II - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C2 and LT 345 kV Campinas - Poços de Caldas C1.

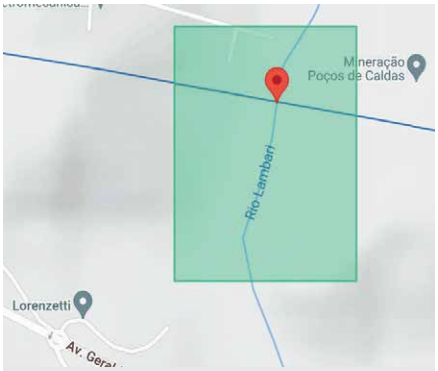

Figure 26 - 830887/2023 LT 500 kV
Poços de Caldas - Itajubá 3 C1.

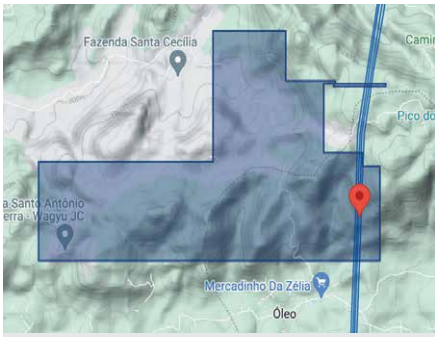

Figure 27 - 831084/2023 LT 345 kV
Atibaia II - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C2 and LT 345 kV Campinas - Poços de Caldas C1.

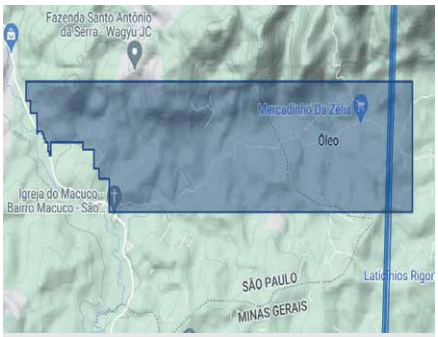

Figure 28 - 831086/2023 LT 345 kV
Atibaia II - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C2 and LT 345 kV Campinas - Poços de Caldas C1.

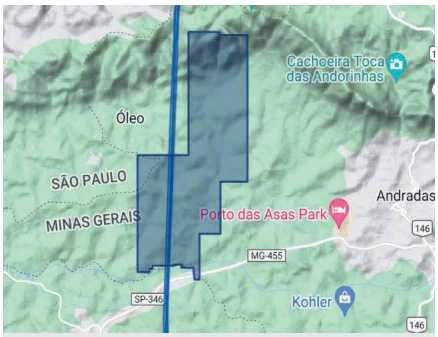

Figure 29 - 831088/2023 LT 345 kV
Atibaia II - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C2 and LT 345 kV Campinas - Poços de Caldas C1.

Figure 30 - 831458/2020 LT 500 kV
Padre Paraíso 2 - Governador Valadares 6, C1.

Figure 31 - 831515/2020 LT 500 kV
Padre Paraíso 2 - Governador Valadares 6 C2, LT 500 kV
Poções III - Padre Paraíso 2, C1 and LT 500 kV
Poções III - Padre Paraíso 2, C2.

Annexure B. Solicitor's Tenement Report continued

Overlaps
Comissão Nacional de Energia Nuclear (CNEN) of Brazil

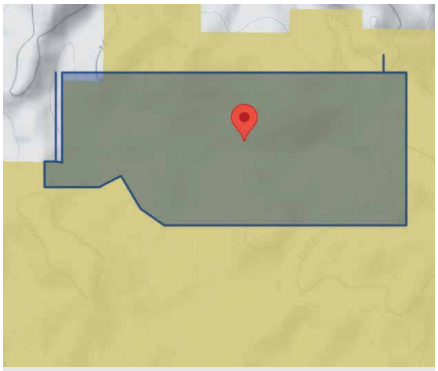

Figure 32 - 830890/2023
CNEN Poços de Caldas.

Overlaps
Reserva Particular do Patrimônio Natural (RPPN) Rio das Antas and RPPN Rio Grande

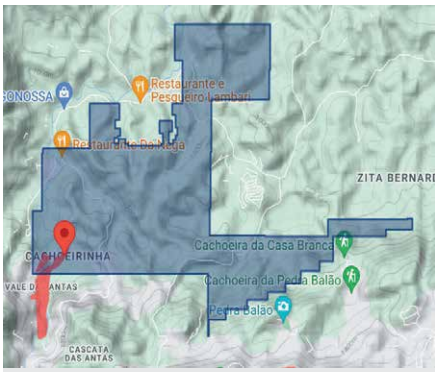

Figure 33 - 830082/2023
RPPN Rio das Antas.

Overlaps
hydroelectric plant project

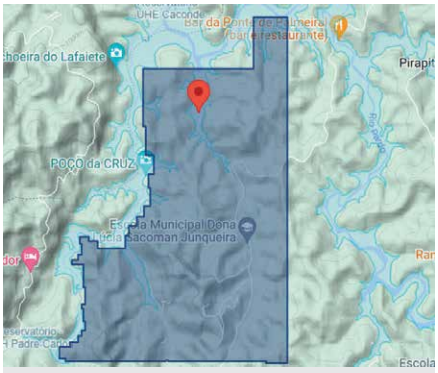

Figure 34 - 830083/2023
UHE Caconde.

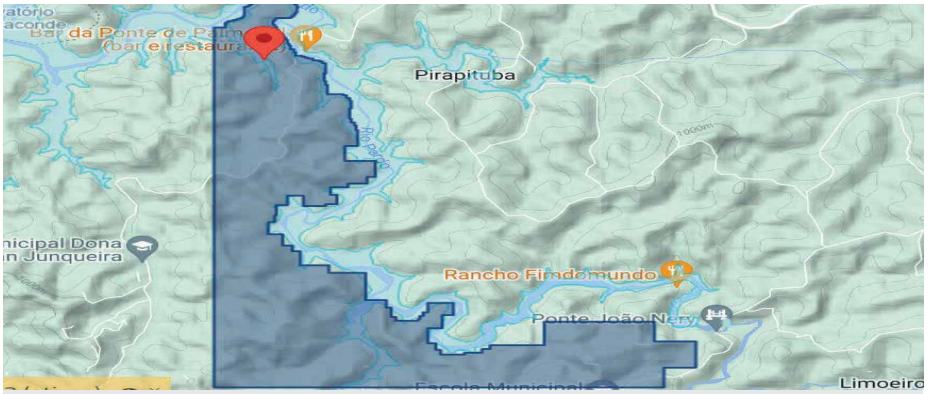

Figure 35 - 830084/2023 - UHE Caconde.

Overlaps
Urban Areas

Figure 36 - 830082/2023
Poços De Caldas.

Figure 37 - 830887/2023
Poços De Caldas.

Figure 38 - 830881/2023
Poços De Caldas.

Overlaps
Tenements
Overlaps

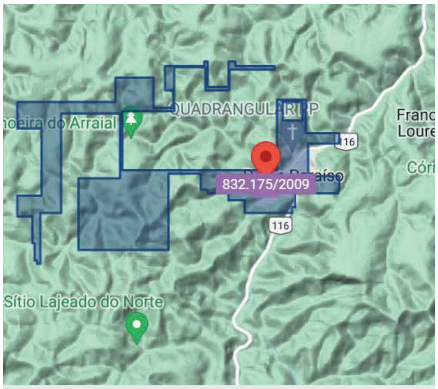

Figure 39 - 830451/2023 - 832175/2009

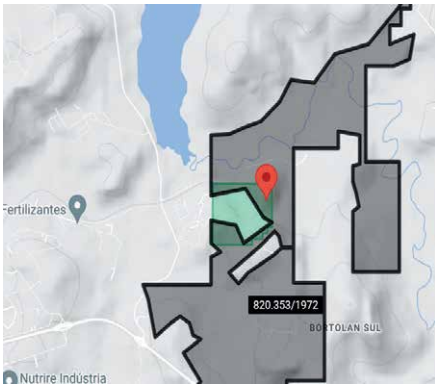

Figure 40 - 830881/2023 - 820.353/1972

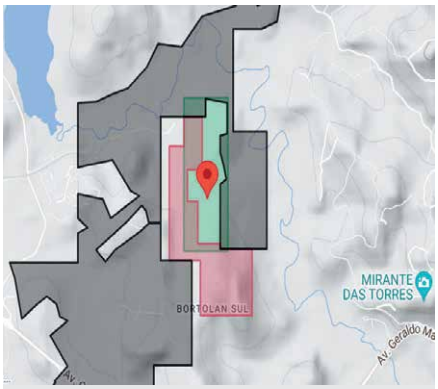

Figure 41 - 830883/2023 -810.917/1973 e 820.353/1972

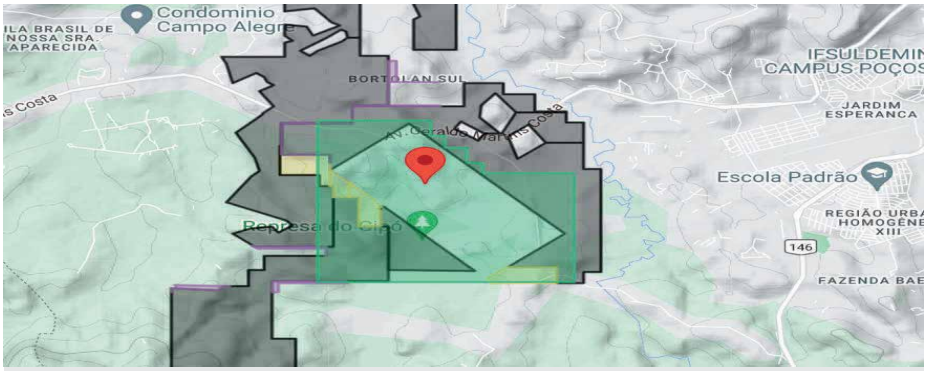

Figure 42 - 830885/2023 - 818865/1971, 832344/2001, 834032/1996, 823813/1972, 820353/1972, 833089/2002, 830422/2004, 832595/2008 and 831170/1997.

Overlaps
Cavities

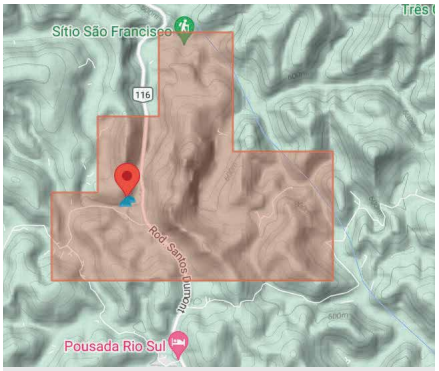

Figure 43 - 830453/2023
Lapa do Córrego do Veado (do Vieira).

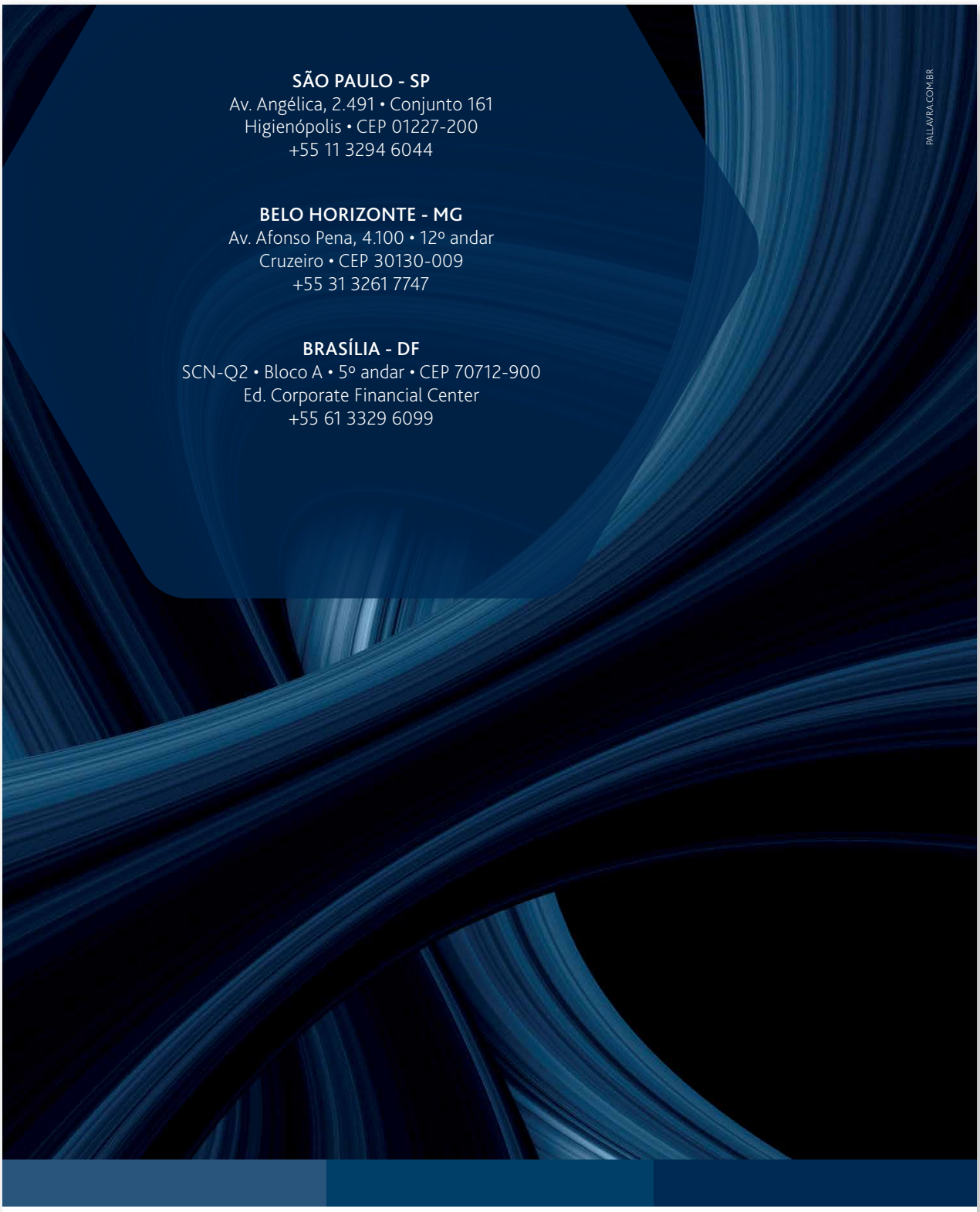
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Exhibit III
Overview of mining tenements
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BRASÍLIA

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ADVOGADOS ASSOCIADOS

Guide for interpreting the summaries of tenements

➢ Disclaimers

a) The points of attention arising from agreements entered into by Axel, Axel Brazil or Foxfire are not covered by this list.
b) We have not identified, and we do not have any reason to think that there are encumbrances on the mining tenements.
c) There are (i) no minimum spending commitments to maintain the tenements (ii) no regime whereby part of the tenements must be relinquished over time.
d) The tenements are primarily situated in the State of Minas Gerais (Southeast Region), with additional locations in São Paulo (Southeast Region), Piauí (Northeast Region), and Mato Grosso (Central-West Region).
e) The only pecuniary obligation to maintain the tenements is the Annual Fee per Hectare, which shall be paid to the Brazilian Government annually and it costs R$ 4,53 per hectare for exploration permits that have not yet been renewed and R$ 6,78 if it was.
f) The mere expiration of the exploration permit does not constitute a barrier to the continuation of exploration activities.
g) There are no natives claims.

➢ List of repeating points of attention

a) Overlapping APAs: Some Axel Tenements overlap with the areas of APA Estadual do Alto Mucuri and APA Santuário Pedra Branca. According to Federal Law 9.985/2000, APAs are conservation units aimed at balancing nature conservation with sustainable resource use. While mining activities are not explicitly prohibited in these zones, any rules set forth in the yet-to-be-approved Management Plan must be adhered to. Additionally, consult with SEMAD in Minas Gerais for specific guidelines, as all mentioned conservation units are located in this state.
b) Overlapping Buffer Zones: Some tenements intersect with the buffer zones of Parque Estadual Águas da Prata[1], Parque Natural Municipal da Biquinha, and Reserva Biologica Municipal Serra Pedra do Coração. As per Federal Law No. 9.985/2000, buffer zones have special norms aimed to minimize impacts on the conservation units they surround. While

[1] One of them, tenement 830451/2023, overlaps not only the buffer zone, but the park itself, as better seen on figure 7 of Exhibit II.

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mining is not outright prohibited, compliance with the yet-to-be-approved Management Plans is essential. In the absence of these plans, following guidelines from SEMAD in Minas Gerais is recommended for navigating regulatory challenges.

c) Active Transmission Line Overlaps: ANM's public systems indicate that some Axel Tenements overlap with active transmission lines. This overlap does not invalidate the tenements, but it could restrict certain exploration or exploitation activities. In specific cases, ANM may reduce the tenement's area to prevent interference with the transmission line. Such reductions are subject to a detailed administrative procedure initiated by the transmission line's concessionaire and will only occur if public interest and incompatibility between activities are proven.

d) Overlap with CNEN Jurisdiction: Some Axel Tenements are situated within the jurisdiction of Brazil's National Nuclear Energy Commission (CNEN), specifically in the Poços de Caldas region. To proceed with non-radioactive mineral extraction in these areas, explicit consent from CNEN is mandatory. Failure to comply with CNEN regulations could impede any planned or ongoing projects. Therefore, obtaining approval from CNEN for mining activities in these overlapping zones is essential.

e) Overlap with RPPN Areas: A tenement intersect with the area of RPPN Rio das Antas. A RPPN is a private, perpetual conservation unit aimed at biodiversity conservation and is subject to specific regulations. According to Federal Law nº 9.985/2000 and PROGE Opinions 145/2006 and 525/2010, mining or exploration activities are strictly forbidden in Full Protection Conservation Units like RPPN. In case of overlap, the ANM may initiate an administrative proceeding to adjust the tenement area, effectively removing the interference with the RPPN zones.

f) Overlap with UHE Caconde Hydroelectric Plant: Some Axel Tenements intersect with the operational area of the UHE Caconde Hydroelectric Plant. While the overlap does not invalidate the mining tenements, certain activities may be restricted to avoid adverse impacts on the hydroelectric facility. The ANM has the authority to modify the tenement area to prioritize the hydroelectric plant if specific criteria are met. At this point, no Waiver Term has been required by the ANM, but compliance with any future directives will be necessary for continued mining operations.

g) Interaction with Subterranean Cavity Lapa do Córrego do Veado (do Vieira): Some Axel Tenements are in proximity to a federal asset, the subterranean cavity known as Lapa do Córrego do Veado (do Vieira). The cavity is classified under MMA's Normative Instruction No. 02/2009 into levels of relevance—maximum, high, medium, and low. Cavities of maximum relevance must be maintained in their original state, while others may be impacted subject to environmental licensing. For cavities with high or medium relevance, compensatory measures will be required, in line with Decree No. 10.935 of January 12, 2022.

h) Proximity to Urban Zones: Some Axel Tenements are situated near designated urban areas. Although there is no outright ban on mining near urban zones, local zoning laws and environmental licensing procedures may impose restrictions. A comprehensive review of

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zoning regulations, environmental considerations, and community interests would be carried out in specific administrative proceedings. The final decision would consider the public interest and could lead to adjustments in the polygonal dimensions of the Axel Tenements to minimize conflicts with urban areas

i) Pending Approvals: Out of the analyzed mining tenements, 10 are still pending ANM approval. According to procedures, the tenement holder must await the publication of exploration authorizations and has 60 days following this to announce the start of exploratory activities, at which point the Annual Hectare Fee (TAH) becomes due. Our review didn't uncover significant obstacles that could hinder the approval and granting of these pending exploration permits.

j) Although the exploration permit 831.524/1010 expires on May 5, 2024, it has been subject of a renewal request. This ensures that there are no impediments to continuing the exploration work until a final decision is reached regarding the extension.

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Summary of Tenements – Part I – Axel Tenements								
Tenement	Type	Area (Ha)	Status	Holder	Assignee	Grant date	Expiry date	Points of Attention
803030/2023	Exploration Permit	1997,87	Active	Foxfire Metals Ltda	n/a	23-March-2023	23-March-2026	N/A
803031/2023	Exploration Permit	1977,23	Active	Foxfire Metals Ltda	n/a	30-March-2023	30-March-2026	The tenement overlaps the transmission line LT 500 kV Barreiras II - Gilbués II, C2. For more information regarding this matter refer to item "c)" above on the List of repeating points of attention.
803032/2023	Exploration Permit	1957,15	Active	Foxfire Metals Ltda	n/a	30-March-2023	30-March-2026	N/A
820286/2023	Exploration Permit	16,56	Active	Foxfire Metals Ltda	n/a	26-October-2023	26-October-2026	The tenement overlaps the Parque Estadual Águas da Prata's buffer zone. For more information regarding this matter refer to item "b)" above on the List of repeating points of attention.
820287/2023	Exploration Permit	899,49	Active	Foxfire Metals Ltda	n/a	26-October-2023	26-October-2026	The tenement overlaps the Parque Estadual Águas da Prata's buffer zone. For more information regarding this matter refer to item "b)" above on the List of repeating points of attention.
820319/2023	Exploration Permit	1603,14	Active	Foxfire Metals Ltda	n/a	26-September-2023	26-September-2026	The tenement overlaps the Parque Estadual Águas da Prata's buffer zone. For more information regarding this matter refer to item "b)" above on the List of repeating points of attention.
830082/2023	Exploration Permit	1549,63	Active	Foxfire Metals Ltda	n/a	27-February-2023	27-February-2026	The tenement overlaps the transmission line LT 345 kV Poços de Caldas - UHE Furnas C1, RPPN Rio das Antas and the urban area of Poços de Caldas. For more information regarding this matter refer to itens "c)" and "e)" above on the List of repeating points of attention.

Annexure B. Solicitor's Tenement Report continued

Summary of Tenements – Part I – Axel Tenements								
Tenement	Type	Area (Ha)	Status	Holder	Assignee	Grant date	Expiry date	Points of Attention
830083/2023	Exploration Permit	1995,5	Active	Foxfire Metals Ltda	n/a	07-February-2023	07-February-2026	The tenement overlaps the transmission line LT 345 kV Poços de Caldas - UHE Furnas C1 and also the UHE Caconde hydroelectric plant project. For more information regarding this matter refer to item "c)" above on the List of repeating points of attention.
830084/2023	Exploration Permit	1327,5	Active	Foxfire Metals Ltda	n/a	07-March-2023	07-March-2026	The tenement overlaps the UHE Caconde hydroelectric plant project. For more information regarding this matter refer to item "f)" above on the List of repeating points of attention.
830085/2023	Exploration Permit	1454,03	Active	Foxfire Metals Ltda	n/a	03-April-2023	03-April-2026	N/A
830451/2023	Exploration Permit	1919,96	Active	Foxfire Metals Ltda	n/a	03-April-2023	03-April-2026	Overlap found between current exploration permit claim 830451/2023 and older claim 832175/2009, owned by Eduardo Cardoso de Almeida. Issue due to outdated SIGMINE database; not a legal conflict, doesn't impact current permit's validity.The area also interferes with Parque Municipal da Biquinha's buffer zone and transmission line LT 500 kV Padre Paraíso 2 - Governador Valadares 6, C1. For more information regarding this matter refer to itens "b)" and "c)" above on the List of repeating points of attention.
830452/2023	Exploration Permit	148,72	Active	Foxfire Metals Ltda	n/a	28-March-2023	28-March-2026	N/A

Summary of Tenements – Part I – Axel Tenements								
Tenement	Type	Area (Ha)	Status	Holder	Assignee	Grant date	Expiry date	Points of Attention
830453/2023	Exploration Permit	1502,79	Active	Foxfire Metals Ltda	n/a	19-June-2023	19-June-2026	The tenement area overlaps the transmission line LT 500 kV Padre Paraíso 2 - Governador Valadares 6, C1. It also interacts with the natural subterranean cavity Lapa do Córrego do Veado. For more information regarding this matter refer to itens "c)" and "g)" above on the List of repeating points of attention.
830454/2023	Exploration Permit	1299,51	Active	Foxfire Metals Ltda	n/a	23-March-2023	23-March-2026	The tenement overlaps the transmission line LT 500 kV Padre Paraíso 2 - Governador Valadares 6, C1. For more information regarding this matter refer to item "c)" above on the List of repeating points of attention.
830455/2023	Exploration Permit	1227,51	Active	Foxfire Metals Ltda	n/a	23-May-2023	23-May-2026	The tenement overlaps the transmission line LT 500 kV Padre Paraíso 2 - Governador Valadares 6, C1. For more information regarding this matter refer to item "c)" above on the List of repeating points of attention.
830456/2023	Exploration Permit	1080,58	Active	Foxfire Metals Ltda	n/a	28-March-2023	28-March-2026	N/A
830457/2023	Exploration Permit Application	1317,8	Active	Foxfire Metals Ltda	n/a	N/A	N/A	Overlap detected between Tenement No. 830457/2023 and provisional blocking area 'LT 500 kV Padre Paraíso 2 - Governador Valadares 6 C2' (Process No. 48400.002028/2017). ANM has requested Foxfire to select one area post-interference removal. New tenement application (No. 832.092/2023) under ANM review. Regulatory changes could impact project.
830458/2023	Exploration Permit	1714	Active	Foxfire Metals Ltda	n/a	23-March-2023	23-March-2026	The tenement overlaps the transmission line LT 500 kV Padre Paraíso 2 - Governador Valadares 6, C1. For more information regarding this matter refer to item "c)" above on the List of repeating points of attention.

Annexure B. Solicitor's Tenement Report continued

Summary of Tenements – Part I – Axel Tenements								
Tenement	Type	Area (Ha)	Status	Holder	Assignee	Grant date	Expiry date	Points of Attention
830459/2023	Exploration Permit	1599,56	Active	Foxfire Metals Ltda	n/a	09-May-2023	09-May-2026	N/A
830460/2023	Exploration Permit Application	1435,97	Active	Foxfire Metals Ltda	n/a	N/A	N/A	Overlap detected between Tenement No. 830460/2023 and provisional blocking area 'LT 500 kV Padre Paraíso 2 – Governador Valadares 6 C2' (Process No. 48400.002028/2017). ANM has requested Foxfire to select one area post-interference removal. New tenement application (No. 832.092/2023) under ANM review. Regulatory changes could impact project.
830461/2023	Exploration Permit	1914,17	Active	Foxfire Metals Ltda	n/a	03-April-2023	03-April-2026	N/A
830462/2023	Exploration Permit	1978,71	Active	Foxfire Metals Ltda	n/a	03-April-2023	03-April-2026	N/A
830463/2023	Exploration Permit	1917,61	Active	Foxfire Metals Ltda	n/a	03-April-2023	03-April-2026	N/A
830464/2023	Exploration Permit	1991,16	Active	Foxfire Metals Ltda	n/a	23-March-2023	23-March-2026	The exploration permit for the tenement was issued on March 23, 2023, necessitating notification to the ANM by May 22, 2023. This notification was belatedly submitted on May 23, 2023. As a consequence, it is anticipated that the ANM will issue an Infraction Notice with a fine calculated at 33% of the Foxfire Estimated Budget Value, as specified by ANM Resolution No. 122/2022. Notably, this level of non-compliance does not trigger the forfeiture of mining rights.
830465/2023	Exploration Permit	1912,78	Active	Foxfire Metals Ltda	n/a	19-June-2023	19-June-2026	N/A

Summary of Tenements – Part I – Axel Tenements								
Tenement	Type	Area (Ha)	Status	Holder	Assignee	Grant date	Expiry date	Points of Attention
830466/2023	Exploration Permit	1968,93	Active	Foxfire Metals Ltda	n/a	18-April-2023	18-April-2026	The tenement overlaps the transmission line LT 500 kV Padre Paraíso 2 - Governador Valadares 6, C1 and APA Estadual do Alto Mucuri. For more information regarding this matter refer to itens "a)" and "c)" above on the List of repeating points of attention.
830467/2023	Exploration Permit Application	826,86	Active	Foxfire Metals Ltda	n/a	N/A	N/A	Overlap detected between Tenement No. 830467/2023 and provisional blocking area 'LT 500 kV Padre Paraíso 2 - Governador Valadares 6 C2' (Process No. 48400.002028/2017). ANM has requested Foxfire to select one area post-interference removal. New tenement application (No. 832.093/2023) under ANM review. Regulatory changes could impact project.
830468/2023	Exploration Permit Application	910,99	Active	Foxfire Metals Ltda	n/a	N/A	N/A	Overlap detected between Tenement No. 830468/2023 and provisional blocking area 'LT 500 kV Padre Paraíso 2 - Governador Valadares 6 C2' (Process No. 48400.002028/2017). ANM has requested Foxfire to select one area post-interference removal. New tenement application (No. 832.093/2023) under ANM review. Regulatory changes could impact project.
830469/2023	Exploration Permit	1972,5	Active	Foxfire Metals Ltda	n/a	23-March-2023	23-March-2026	N/A
830500/2023	Exploration Permit	1460,5	Active	Foxfire Metals Ltda	n/a	28-July-2023	28-July-2026	N/A
830505/2023	Exploration Permit	1033,42	Active	Foxfire Metals Ltda	n/a	04-May-2023	04-May-2026	N/A
830506/2023	Exploration Permit	786,64	Active	Foxfire Metals Ltda	n/a	04-May-2023	04-May-2026	N/A
830515/2023	Exploration Permit	1963,87	Active	Foxfire Metals Ltda	n/a	03-April-2023	03-April-2026	N/A

Annexure B. Solicitor's Tenement Report continued

Summary of Tenements – Part I – Axel Tenements								
Tenement	Type	Area (Ha)	Status	Holder	Assignee	Grant date	Expiry date	Points of Attention
830516/2023	Exploration Permit	1947,1	Active	Foxfire Metals Ltda	n/a	03-April-2023	03-April-2026	N/A
830527/2023	Exploration Permit	386,89	Active	Foxfire Metals Ltda	n/a	23-March-2023	23-March-2026	The tenement overlaps the transmission line LT 500 kV Padre Paraíso 2 - Governador Valadares 6, C1 and APA Estadual do Alto Mucuri. For more information regarding this matter refer to item "c)" above on the List of repeating points of attention.
830880/2023	Exploration Permit Application	357,8	Active	Foxfire Metals Ltda	n/a	N/A	N/A	N/A
830881/2023	Exploration Permit Application	32,34	Active	Foxfire Metals Ltda	n/a	N/A	N/A	Overlap identified between proceeding No. 830881/2023 and older mining proceeding No. 820353/1972 owned by Companhia Geral de Minas. ANM may reduce polygonal area of the newer proceeding due to the advanced regulatory status of 820353/1972, lessening the chance for gaining priority. The area also overlaps the urban area of Poços de Caldas. For more information regarding this matter refer to item "h)" above on the List of repeating points of attention.
830882/2023	Exploration Permit	8,12	Active	Foxfire Metals Ltda	n/a	28-July-2023	28-July-2026	N/A

Summary of Tenements – Part I – Axel Tenements								
Tenement	Type	Area (Ha)	Status	Holder	Assignee	Grant date	Expiry date	Points of Attention
830883/2023	Exploration Permit Application	57,57	Active	Foxfire Metals Ltda	n/a	N/A	N/A	Overlap exists between new proceeding No. 830883/2023 and older mining proceedings No. 820353/1972 owned by Companhia Geral de Minas and No. 810917/1973 owned by Companhia Brasileira de Alumínio. Given their advanced regulatory statuses, ANM may reduce polygonal area of 830883/2023 to avoid interference, thus hampering any priority claims. The area also overlaps the following transmission lines: LT 345 kV Atibaia II - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C2 and LT 345 kV Campinas - Poços de Caldas C1. For more information regarding this matter refer to item "c)" above on the List of repeating points of attention.
830884/2023	Exploration Permit	24,43	Active	Foxfire Metals Ltda	n/a	28-July-2023	28-July-2026	The tenement overlaps the following transmission lines: LT 345 kV Atibaia II - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C2 and LT 345 kV Campinas - Poços de Caldas C1. For more information regarding this matter refer to item "c)" above on the List of repeating points of attention.

Annexure B. Solicitor's Tenement Report continued

Summary of Tenements – Part I – Axel Tenements							
Tenement	Type	Area (Ha)	Status	Holder	Assignee	Grant date	Expiry date	Points of Attention
830885/2023	Exploration Permit Application	695,36	Active	Foxfire Metals Ltda	n/a	N/A	N/A	New proceeding No. 830885/2023 has significant overlap with multiple older mining proceedings (818865/1971, 832344/2001, 834032/1996, 823813/1972, 820353/1972, 833089/2002, 830422/2004, 832595/2008, 831170/1997). Most of these are in advanced phases of regulatory approval. The ANM may opt to reduce the polygonal area of No. 830885/2023, undermining any claim for priority. It also overlaps the area of the following transmission lines: LT 345 kV Atibaia II - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C2 and LT 345 kV Campinas - Poços de Caldas C1. For more information regarding this matter refer to item "c)" above on the List of repeating points of attention.
830886/2023	Exploration Permit	47,58	Active	Foxfire Metals Ltda	n/a	28-July-2023	28-July-2026	The area overlaps the urban area of Poços de Caldas. For more information regarding this matter refer to item "h)" above on the List of repeating points of attention.
830887/2023	Exploration Permit	25,17	Active	Foxfire Metals Ltda	n/a	28-February-2024	28-February-2027	The tenement overlaps with the urban area of Poços de Caldas and Transmission Line LT 500 kV Poços de Caldas - Itajubá 3 C1. ANM may reduce the polygonal area. For more information regarding this matter refer to item "c)" above on the List of repeating points of attention.
830888/2023	Exploration Permit	7,77	Active	Foxfire Metals Ltda	n/a	28-July-2023	28-July-2026	N/A
830889/2023	Exploration Permit	442,8	Active	Foxfire Metals Ltda	n/a	28-February-2024	28-February-2027	N/A

Summary of Tenements – Part I – Axel Tenements								
Tenement	Type	Area (Ha)	Status	Holder	Assignee	Grant date	Expiry date	Points of Attention
830890/2023	Exploration Permit	363,73	Active	Foxfire Metals Ltda	n/a	28-July-2023	28-July-2026	Tenement overlaps with CNEN jurisdiction in Poços de Caldas. CNEN's approval is mandatory for mining non-radioactive minerals in these areas. Compliance with CNEN regulations is essential for project continuation. For more information regarding this matter refer to item "d)" above on the List of repeating points of attention.
830891/2023	Exploration Permit	5,63	Active	Foxfire Metals Ltda	n/a	28-July-2023	28-July-2026	N/A
830893/2023	Exploration Permit	24,65	Active	Foxfire Metals Ltda	n/a	28-July-2023	28-July-2026	N/A
830895/2023	Exploration Permit	102,82	Active	Foxfire Metals Ltda	n/a	28-February-2024	28-February-2027	N/A
831084/2023	Exploration Permit	1950,77	Active	Foxfire Metals Ltda	n/a	23-May-2023	23-May-2026	The tenement area overlaps the following transmission lines: LT 345 kV Atibaia II - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C2 and LT 345 kV Campinas - Poços de Caldas C1. For more information regarding this matter refer to item "c)" above on the List of repeating points of attention.
831086/2023	Exploration Permit	1886,07	Active	Foxfire Metals Ltda	n/a	31-May-2023	31-May-2026	The tenement area overlaps the following transmission lines: LT 345 kV Atibaia II - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C2 and LT 345 kV Campinas - Poços de Caldas C1. For more information regarding this matter refer to item "c)" above on the List of repeating points of attention.
831087/2023	Exploration Permit	1998,07	Active	Foxfire Metals Ltda	n/a	23-May-2023	23-May-2026	N/A

Annexure B. Solicitor's Tenement Report continued

Summary of Tenements – Part I – Axel Tenements								
Tenement	Type	Area (Ha)	Status	Holder	Assignee	Grant date	Expiry date	Points of Attention
831088/2023	Exploration Permit	1956,82	Active	Foxfire Metals Ltda	n/a	23-May-2023	23-May-2026	The tenement area overlaps the following transmission lines: LT 345 kV Atibaia II - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C1, LT 345 kV Guarulhos - Poços de Caldas C2 and LT 345 kV Campinas - Poços de Caldas C1. For more information regarding this matter refer to item "c)" above on the List of repeating points of attention.
831089/2023	Exploration Permit	1983,83	Active	Foxfire Metals Ltda	n/a	23-May-2023	23-May-2026	N/A
831090/2023	Exploration Permit	1333,64	Active	Foxfire Metals Ltda	n/a	23-May-2023	23-May-2026	N/A
831092/2023	Exploration Permit	1085,01	Active	Foxfire Metals Ltda	n/a	31-May-2023	31-May-2026	The tenement area overlaps APA Estadual do Alto Mucuri and Reserva Biologica Municipal Serra Pedra do Coracao's buffer zone. For more information regarding this matter refer to itens "a)" and "b)" above on the List of repeating points of attention.
832092/2023	Exploration Permit Application	936,03	Inactive	Foxfire Metals Ltda	n/a	N/A	N/A	The application was denied by the ANM, as it understood that the applied area was already encumbered by priority mineral rights.
832093/2023	Exploration Permit Application	1130,7	Inactive	Foxfire Metals Ltda	n/a	N/A	N/A	The application was denied by the ANM, as it understood that the applied area was already encumbered by priority mineral rights.
833340/2023	Exploration Permit Application	936,03	Active	Foxfire Metals Ltda	n/a	N/A	N/A	Given the ANM's denial of Tenements No. 832.092/2023 and 832.093/2023 due to interference issues, similar risks may also apply to this tenement.
833341/2023	Exploration Permit Application	1130,7	Active	Foxfire Metals Ltda	n/a	N/A	N/A	Given the ANM's denial of Tenements No. 832.092/2023 and 832.093/2023 due to interference issues, similar risks may also apply to this tenement.

Summary of Tenements – Part I – Axel Tenements								
Tenement	Type	Area (Ha)	Status	Holder	Assignee	Grant date	Expiry date	Points of Attention
866051/2023	Exploration Permit	9892,33	Active	Foxfire Metals Ltda	n/a	08-March-2023	08-March-2026	N/A
866052/2023	Exploration Permit	9989,08	Active	Foxfire Metals Ltda	n/a	06-June-2023	06-June-2026	N/A
866054/2023	Exploration Permit	9944,86	Active	Foxfire Metals Ltda	n/a	06-June-2023	06-June-2026	N/A
866055/2023	Exploration Permit	9753,55	Active	Foxfire Metals Ltda	n/a	06-June-2023	06-June-2026	N/A

Annexure B. Solicitor's Tenement Report continued

Summary of Tenements – Part II – REE Tenements								
Tenement	Type	Area (Ha)	Status	Holder	Assignee	Grant date	Expiry date	Points of Attention
831.458/2020	Exploration Permit	1574.47	Active	Foxfire Metals Ltda	n/a	22-January-2021	30-September-2024	N/A
831.524/2020	Exploration Permit	1023.9	Active	Lobo Guara Mineração e Representação Eireli	Foxfire Metals Ltda	11-November-2021	05-May-2024	Ownership transfer from Lobo Guará to Foxfire is pending ANM approval, yet not jeopardizing mining rights due to a renewal request.
831.515/2020	Exploration Permit Application	884.39	Active	Lobo Guara Mineração e Representação Eireli	n/a	30-March-2023	30-March-2026	Due to overlap detected between Tenement no. 830467/2023 and provisional blocking area LT 500kV Padre Paraiso 2 – Governador Valadares 6 C2' (Process No. 48400.002028/2017). ANM has requested Foxfire to select one area post-interference removal. As the area is crossed twice by the blockade three new tenements will be a result of this tenement.

ANNEXURE C

Investigating Accountant's Report

Annexure C. Investigating Accountant's Report

PKF Melbourne
Corporate Pty Ltd
ACN 063 564 045
AFSL No: 222050
Level 15, 500 Bourke Street
Melbourne, Victoria 3000

T: +61 3 9679 2222
F: +61 3 9679 2288
melbourne@pkf.com.au
www.pkf.com.au

6 June 2024

The Directors
Axel REE Limited
Suite 3, 16 Cotham Road
KEW VIC 3101

Dear Directors

Independent Limited Assurance Report on Historical Financial Information and Pro Forma Financial Information

1. Introduction

Axel REE Limited ("**Axel**" or the "**Company**") has requested PKF Melbourne Corporate Pty Ltd ("**PKF Corporate**") to prepare this Independent Limited Assurance Report (the "**Report**") for inclusion in a replacement prospectus to be dated on or about 6 June 2024 (the "**Replacement Prospectus**") relating to the offer of between 50 million Ordinary Shares ("**Minimum Subscription**") and up to 75 million Ordinary Shares ("**Maximum Subscription**") at an issue price of $0.20 per share to raise between $10 million to $15 million respectively in the proposed initial public offering and listing of the Company on the Australian Securities Exchange ("**ASX**").

Expressions and terms defined in the Replacement Prospectus have the same meaning in the Report, unless otherwise specified.

The Report has been prepared by PKF Corporate, which holds an Australian financial services licence under the Corporations Act 2001 (AFS Licence No. 222050).

The Report is an Independent Limited Assurance Report, the scope of which is set out below. A copy of the Financial Services Guide is attached at Appendix A.

2. Scope

You have requested PKF Corporate to perform a limited assurance engagement in relation to the historical and pro forma historical financial information (the "**Financial Information**") described below and disclosed in Section 6 of the Replacement Prospectus.

PKF Melbourne Corporate Pty Ltd is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).
Liability limited by a scheme approved under Professional Standards Legislation.

2.1 Statutory Historical Financial Information

The Statutory Historical Financial Information comprises of:

- the audited historical consolidated statement of profit or loss and other comprehensive income for the Company for the financial year ended 30 June 2023 and the reviewed consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2023;
- the audited historical consolidated statement of cash flows for the Company for the financial year ended 30 June 2023 and the reviewed consolidated statement of cash flows for the half year ended 31 December 2023;
- the reviewed historical consolidated statement of financial position for the Company as at 31 December 2023; and
- the key accounting policies of the Company relevant to the Statutory Historical Financial Information.

The financial statements of the Company for the financial year ended 30 June 2023 and half year ended 31 December 2023 have been audited by PKF Audit (Perth) Pty Ltd ("**PKF Perth**"). The financial statements of the Company for the half year ended 31 December 2023 have been reviewed respectively by PKF Perth.

The Statutory Historical Financial Information has been extracted from the financial statements of the Company for the financial year ended 30 June 2023 and half year ended 31 December 2023. The financial statement for the financial year ended 30 June 2023 was audited in accordance with Australian Auditing Standards by PKF Perth. The financial statements for the held year ended 31 December 2023 was reviewed by PKF Perth.

PKF Perth's audit report was issued with an unmodified audit opinion for the financial year ended 30 June 2023. PKF Perth's review report was issued with an unmodified review conclusion for the half year ended 31 December 2023. PKF Perth's audit report and review report included a material uncertainty relating to the going concern of the Company. This did not result in PKF Perth providing a modified audit opinion or review conclusion.

The Statutory Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

However, the Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and other mandatory professional reporting requirements, and the significant accounting policies summarised in Section 6 of the Replacement Prospectus.

For the purposes of preparing the Report, we have performed limited assurance procedures in relation to the Statutory Historical Financial Information in order to state whether, on the basis of the procedures described, anything comes to our attention that would cause us to believe that the Statutory Historical Financial Information is not prepared or presented fairly, in all material respects, by the Directors in accordance with the stated basis of preparation.

Our limited assurance procedures consisted primarily of:

- comparison and analytical review procedures;
- discussions with Management, Directors and Advisors of the Company; and
- review of working papers, accounting records and other documents of the Company and its auditors.

2.2 Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information comprises of:

- the pro forma historical consolidated statement of financial position for the Company as at 31 December 2023; and
- the key accounting policies of the Company relevant to the Pro Forma Historical Financial Information.

The Pro Forma Historical Financial Information reflects the effects of the pro forma adjustments described in Section 6 of the Replacement Prospectus.

The stated basis of preparation of the Pro Forma Historical Financial Information are the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Historical Financial Information and the events and/or transactions to which the subsequent events and the pro forma adjustments related, as described in Section 6 of the Replacement Prospectus as if those events and transactions had occurred as at the date of the Statutory Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

The Pro Forma Historical Financial Information has been compiled by the Company to illustrate the impact of the events and transactions described in Section 6 of the Replacement Prospectus on the Company's financial position as at 31 December 2023.

Our limited assurance procedures consisted primarily of:

- comparison and analytical review procedures;
- discussions with Management, Directors and Advisors of the Company; and
- review of working papers, accounting records and other documents of the Company and its auditors.

3. Directors' Responsibility

The Directors of the Company are responsible for the preparation of the Historical Financial Information and the Pro Forma Historical Financial Information, including its basis of preparation and the selection and determination of the pro forma adjustments made to the Pro Forma Historical Financial Information.

The Directors are also responsible for such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information and the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements *ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures to the accounting records in support of the Financial Information.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent that for an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about the Statutory Historical Financial Information or the Pro Forma Historical Financial Information.

5. Subsequent Events

Apart from the matters dealt with in the Report and elsewhere in the Replacement Prospectus, and having regard to the scope of our engagement, nothing has come to our attention that would cause us to believe that matters arising after 31 December 2023, other than matters dealt with in the Report and the Replacement Prospectus, would require comment on, or adjustments to, the Financial Information contained in Section 6 of the Replacement Prospectus, or would cause that information to be misleading or deceptive.

6. Conclusions

6.1 Review statement on the Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention that causes us to believe that the Financial Information of the Company, as set out in Section 6 of the Replacement Prospectus, comprising:

- the statutory historical consolidated statements of profit or loss and other comprehensive income for the Company for the financial year ended 30 June 2023 and half year ended 31 December 2023;
- the statutory historical consolidated statements of cash flows for the Company for the financial years ended 30 June 2023 and half year ended 31 December 2023; and
- the pro forma and statutory historical consolidated statement of financial position for the Company as at 31 December 2023,

is not prepared or presented fairly, in all material respects, in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, and the Company's accounting policies, and in the case of the Pro Forma Historical Financial information, on the basis of the pro forma transactions and/or adjustments described in Section 6 of the Replacement Prospectus.

7. General Advice Warnings

The Report has been prepared, and included in the Replacement Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in the Report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

8. Restrictions on use

Without modifying our conclusions, we draw attention to Section 6 of the Replacement Prospectus, which describes the purpose of the Financial Information prepared, being for inclusion in the Replacement Prospectus. As a result, the Financial Information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

9. Notice to investors outside Australia

Under the terms of our engagement the Report has been prepared solely to comply with the Standard on Assurance Engagements applicable to Corporate Fundraisings and/or Prospective Financial Information.

The Report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside of Australia. We are not recommending or making any representation as to the suitability of any investment to any person.

10. Consent

PKF Corporate has consented to the inclusion of the Report in the Replacement Prospectus in the form and context in which it is included, but has not authorised the issue of the Replacement Prospectus. Accordingly, PKF Corporate makes no representations regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Replacement Prospectus.

Yours faithfully

PKF Melbourne Corporate Pty Ltd

Stefan Galbo
Director

Steven Perri
Director

Appendix A

Financial Services Guide

This Financial Services Guide provides information to assist retail and wholesale investors in making a decision as to their use of the general financial product advice included in the above report.

PKF Corporate

PKF Corporate holds Australian Financial Services Licence No. 222050, authorizing it to provide general financial product advice in respect of securities to retail and wholesale investors.

Financial Services Offered by PKF Corporate

PKF Corporate prepares reports commissioned by a company or other entity ("**Entity**"). The reports prepared by PKF Corporate are provided by the Entity to its members.

All reports prepared by PKF Corporate include a description of the circumstances of the engagement and of PKF Corporate's independence of the Entity commissioning the report and other parties to the transactions.

PKF Corporate does not accept instructions from retail investors. PKF Corporate provides no financial services directly to retail investors and receives no remuneration from retail investors for financial services. PKF Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

General Financial Product Advice

In the report, PKF Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a report having regard to their own objectives, financial situation and needs before acting on the advice in a report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

Independence

At the date of this report, none of PKF Corporate, Mr Stefan Galbo nor Mr Steven Perri have any interest in the outcome of the capital raising, nor any relationship with the Company or any of its Directors. Fees for this report are not contingent on the outcome, content or future use of this report.

Drafts of this report were provided to and discussed with the Directors and management of the Company and its advisors. Certain changes were made to factual statements in this report as a result of the reviews of the draft reports. There were no alterations to the methodology or conclusions that have been formed by PKF Corporate.

PKF Corporate and its related entities do not have any shareholding in or other relationship with the Company that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to this independent report on the Financial Information.

PKF Corporate had no part in the formulation of the Historical Financial Information, the Pro Forma Historical Financial Information, the Proposed Capital Raising and ASX Listing. Its only role has been the preparation of this report.

Remuneration

PKF Corporate is entitled to receive a fee of approximately $45,000 for the preparation of this report. With the exception of the above, PKF Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

Complaints Process

As the holder of an Australian Financial Services Licence, PKF Corporate is required to have suitable compensation arrangements in place. In order to satisfy this requirement PKF Corporate holds a professional indemnity insurance policy that is compliant with the requirements of Section 912B of the Act.

PKF Corporate is also required to have a system for handling complaints from persons to whom PKF Corporate provides financial services. All complaints should be in writing and sent to the Complaints Officer, PKF Corporate at level 12, 440 Collins Street, Melbourne Vic 3000.

PKF Corporate will make every effort to resolve a complaint within 45 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority – GPO Box 3, Melbourne Vic 3001.

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AXEL REE LIMITED
ACN 665 921 273

PUBLIC OFFER APPLICATION FORM

Your Application Form must be received by no later than:
5pm (AEST) on 20 June 2024
(unless extended or closed earlier)

Application Options:

Option A: Apply Online and Pay Electronically (Recommended)

Apply online at: https://apply.automic.com.au/AxelREELimited

- ✓ **Pay electronically:** Applying online allows you to pay electronically, via **BPAY®** or **EFT** (Electronic Funds Transfer).
- ✓ **Get in first, it's fast and simple:** Applying online is very easy to do, it eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **It's secure and confirmed:** Applying online provides you with greater privacy over your instructions and is the only method which provides you with confirmation that your Application has been successfully processed.

To apply online, simply scan the barcode to the right with your tablet or mobile device or you can enter the URL above into your browser.

Option B: Standard Application

Enter your details below (clearly in capital letters using pen), attach cheque and return in accordance with the instructions on page 2 of the form.

1. Number of Shares applied for

, ,

Application payment (multiply box 1 by $0.20 per Share)

A$, , . 0 0

Applications under the Offer must be for a minimum of $2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of $500 worth of Shares (2,500 Shares).

2. Applicant name(s) and postal address (Refer to Naming Standards overleaf)

Post Code:

3. Contact details

Telephone Number

( )

Contact Name (PLEASE PRINT)

Email Address

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

4. CHESS Holders Only – Holder Identification Number (HIN)

X

Note: if the HIN is incorrect or the name and address details in section 2 does not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

5. TFN/ABN/Exemption Code

Applicant #1

Applicant #2

Applicant #3

If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

YOUR PRIVACY

Automic Pty Ltd (ACN 152 260 814) trading as Automic Group advises that Chapter 2C of the Corporation Act 2001 requires information about you as a securityholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold Shares. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

AUTOMIC GROUP

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Company
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS GENERAL OFFER APPLICATION FORM.

This is an Application Form for fully paid ordinary Shares in Axel REE Limited (ACN 665 921 273) (**Company**) made under the terms of the Public Offer set out in the Replacement Prospectus dated 6 June 2024.

Capitalised terms not otherwise defined in this document has the meaning given to them in the Prospectus. The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable) and an Application Form, on request and without charge.

1. **Shares Applied For & Payment Amount** - Enter the number of Shares & the amount of the application monies payable you wish to apply for. Applications under the Offer must be for a minimum of $2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of $500 worth of Shares (2,00 Shares).
2. **Applicant Name(s) and Postal Address** - ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
3. **Contact Details** - Please provide your contact details for us to contact you between 9:00am and 5:00pm (AEST) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at https://investor.automic.com.au/#/home
4. **CHESS Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" ('SRN') will be allocated to you.
5. **TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
6. **Payment** Payments for Applications made using a paper Application Form can only be made by cheque. Your cheque must be made payable to **"Axel REE Limited - IPO Account"** and drawn on an Australian bank and expressed in Australian currency and crossed **"Not Negotiable"**. Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Completed Application Forms and accompanying cheques must be received before 5:00pm (AEST) on the Closing Date by being delivered or mailed to the address set out in the instructions below.

   Applicants wishing to pay by BPAY® or EFT should complete the online Application, which can be accessed by following the web address provided on the front of the Application Form. Please ensure that payments are received by 5:00pm (AEST) on the Closing Date. Do not forward cash with this Application Form as it will not be accepted.

DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the Prospectus, either in printed or electronic form and have read the Prospectus in full;
- Have completed this Application Form in accordance with the instructions on the form and in the Prospectus;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- Acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- Apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- Acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated;
- Am/are over 18 years of age;
- Agree to be bound by the Constitution of the Company;
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of capital.

LODGEMENT INSTRUCTIONS

The Offer is expected to open on 7 June 2024 and is expected to close on 20 June 2024. The Directors reserve the right to close the Offer at any time once sufficient funds are received or to extend the Offer period. Applicants are encouraged to submit their Applications as early as possible. Completed Application Forms and payments must be submitted as follows:

Paper Application and Cheque

By Post:
Axel REE Limited
C/- Automic Pty Ltd
GPO Box 5193
SYDNEY NSW 2001

OR

By Hand Delivery:
Axel REE Limited
C/- Automic Pty Ltd
Level 5, 126 Phillip Street
SYDNEY NSW 2000

Online Applications and BPAY® or EFT Payments

Online:
https://apply.automic.com.au/AxelREELimited

Need help with your application, no problem. Please contact Automic on:

PHONE:
1300 288 664 within Australia
+61 (2) 9698 5414 from outside Australia

LIVE WEBCHAT:
Go to www.automicgroup.com.au

EMAIL:
corporate.actions@automic.com.au

AXEL REE LIMITED
ACN 665 921 273

PUBLIC OFFER APPLICATION FORM

Your Application Form must be received by no later than:
5pm (AEST) on 20 June 2024
(unless extended or closed earlier)

Application Options:

Option A: Apply Online and Pay Electronically (Recommended)

Apply online at: https://apply.automic.com.au/AxelREELimited

- ✓ **Pay electronically:** Applying online allows you to pay electronically, via **BPAY®** or **EFT** (Electronic Funds Transfer).
- ✓ **Get in first, it's fast and simple:** Applying online is very easy to do, it eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **It's secure and confirmed:** Applying online provides you with greater privacy over your instructions and is the only method which provides you with confirmation that your Application has been successfully processed.

To apply online, simply scan the barcode to the right with your tablet or mobile device or you can enter the URL above into your browser.

Option B: Standard Application

Enter your details below (clearly in capital letters using pen), attach cheque and return in accordance with the instructions on page 2 of the form.

1. Number of Shares applied for

, ,

Application payment (multiply box 1 by $0.20 per Share)

A$, , . 0 0

Applications under the Offer must be for a minimum of $2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of $500 worth of Shares (2,500 Shares).

2. Applicant name(s) and postal address (Refer to Naming Standards overleaf)

Post Code:

3. Contact details

Telephone Number

( )

Contact Name (PLEASE PRINT)

Email Address

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

4. CHESS Holders Only – Holder Identification Number (HIN)

X

Note: if the HIN is incorrect or the name and address details in section 2 does not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

5. TFN/ABN/Exemption Code

Applicant #1

Applicant #2

Applicant #3

If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

YOUR PRIVACY

Automic Pty Ltd (ACN 152 260 814) trading as Automic Group advises that Chapter 2C of the Corporation Act 2001 requires information about you as a securityholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold Shares. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

AUTOMIC GROUP

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Company
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS GENERAL OFFER APPLICATION FORM.

This is an Application Form for fully paid ordinary Shares in Axel REE Limited (ACN 665 921 273) (**Company**) made under the terms of the Public Offer set out in the Replacement Prospectus dated 6 June 2024.

Capitalised terms not otherwise defined in this document has the meaning given to them in the Prospectus. The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable) and an Application Form, on request and without charge.

1. **Shares Applied For & Payment Amount** - Enter the number of Shares & the amount of the application monies payable you wish to apply for. Applications under the Offer must be for a minimum of $2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of $500 worth of Shares (2,00 Shares).
2. **Applicant Name(s) and Postal Address** - ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
3. **Contact Details** - Please provide your contact details for us to contact you between 9:00am and 5:00pm (AEST) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at https://investor.automic.com.au/#/home
4. **CHESS Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" ('SRN') will be allocated to you.
5. **TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
6. **Payment** Payments for Applications made using a paper Application Form can only be made by cheque. Your cheque must be made payable to **"Axel REE Limited - IPO Account"** and drawn on an Australian bank and expressed in Australian currency and crossed **"Not Negotiable"**. Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Completed Application Forms and accompanying cheques must be received before 5:00pm (AEST) on the Closing Date by being delivered or mailed to the address set out in the instructions below.

   Applicants wishing to pay by BPAY® or EFT should complete the online Application, which can be accessed by following the web address provided on the front of the Application Form. Please ensure that payments are received by 5:00pm (AEST) on the Closing Date. Do not forward cash with this Application Form as it will not be accepted.

DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the Prospectus, either in printed or electronic form and have read the Prospectus in full;
- Have completed this Application Form in accordance with the instructions on the form and in the Prospectus;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- Acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- Apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- Acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated;
- Am/are over 18 years of age;
- Agree to be bound by the Constitution of the Company;
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of capital.

LODGEMENT INSTRUCTIONS

The Offer is expected to open on 7 June 2024 and is expected to close on 20 June 2024. The Directors reserve the right to close the Offer at any time once sufficient funds are received or to extend the Offer period. Applicants are encouraged to submit their Applications as early as possible. Completed Application Forms and payments must be submitted as follows:

Paper Application and Cheque

By Post:
Axel REE Limited
C/- Automic Pty Ltd
GPO Box 5193
SYDNEY NSW 2001

OR

By Hand Delivery:
Axel REE Limited
C/- Automic Pty Ltd
Level 5, 126 Phillip Street
SYDNEY NSW 2000

Online Applications and BPAY® or EFT Payments

Online:
https://apply.automic.com.au/AxelREELimited

Need help with your application, no problem. Please contact Automic on:

PHONE:
1300 288 664 within Australia
+61 (2) 9698 5414 from outside Australia

LIVE WEBCHAT:
Go to www.automicgroup.com.au

EMAIL:
corporate.actions@automic.com.au

Corporate Directory

Directors

Paul Dickson
Non-Executive Chairman

Fernando Tallarico
Managing Director

Pat Volpe
Non-Executive Director

Ian Kiers
Non-Executive Director

Company Secretary

Patrick Volpe

Proposed ASX Code

AXL

Registered Office

832 High Street
Kew East VIC 3102

Telephone: + 61 3 9249 9555

Email: companysecretary@axelreelimited.com.au
Website: www.axelreelimited.com.au

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 Edificio Atlântico,
Cruzeiro, CEP 30130-009

Investigating Accountant

PKF Melbourne Corporate Pty Ltd

Level 15, 500 Bourke Street
Melbourne VIC 3000

Auditor

PKF Audit (Perth)

Level 5, 35 Havelock Street
West Perth WA 6005

Independent Geologist

SRK Consulting (Australasia) Pty Ltd

Level 20, 31 Queen Street
Melbourne VIC 3000

Lead Manager

Bell Potter Securities Limited

Level 29, 101 Collins Street
Melbourne VIC 3000

Telephone: + 61 3 9256 8700

Share Registry*

Automic Pty Ltd

Suite 5, Level 12, 530 Collins Street
Melbourne VIC 3000

Telephone: 1300 288 664

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

AXEL REE