

31 October 2024

ASX Quarterly Report

Activity Report for the Quarter Ended 30 September 2024

Highlights

- *Cadoux's critical minerals project development towards feasibility/FEED engineering studies continued to be the focus for the Company during the quarter*
- *Engineering workstreams and market development for both the HPA and Minhub projects both achieving development milestones*
- *HPA SSP Stage 1/Phase 2 engineering studies underway*
- *Market outreach continued with multiple HPA samples forwarded to prospective customers*
- *R&D commenced on downstream HPA products and opportunities*
- *Kwinana HPA production site permitting, planning and environmental approvals advancing; various key works catalysts achieved*
- *Minhub feasibility study workstreams completed and documentation being collated for finalisation*
- *Positive multiclient R&D test-work findings prompt Minhub production strategy review*
- *Key meetings and rare-earth customer campaign commenced*
- *Industry ESG rating maintained for the quarter*

Emerging critical minerals producer Cadoux Limited (ASX: **CCM**) ("**Cadoux**" or the "**Company**") is pleased to release its activities report for the quarter ending 30 September 2024.

EXECUTIVE OUTLINE

Cadoux is committed to developing its critical mineral projects which are ultra-high quality, high purity alumina (HPA) in Western Australia and the Minhub mineral sands processing / rare earths facility in the Northern Territory together with associated downstream development opportunities.

The Company's has an immediate commercial objective to finalise the concurrent engineering Feasibility Studies (FS), for both of the HPA and Minhub projects, and to progress to production of each of the respective critical minerals projects.

QUARTER ACTIVITIES SUMMARY

OPERATIONS

HPA Project

Cadoux is advancing development of its small-scale production plant (SSP) in two engineering stages as the Company advances towards commercialisation of its, high quality HPA refining facility.

HPA Project Development

HPA project development activities during the quarter included:

- Engineering studies for HPA optimal project economics.
- Continued product investigation into emerging HPA markets
- Product samples forwarded to prospective customers with ongoing interest in Cadoux's high quality HPA
- Alternative process technologies and key third-party vendor equipment packages reviewed for engineering suitability and production readiness
- Kwinana site planning and environmental approvals submitted for assessment by the various regulatory Government bodies
 - Environmental baseline site survey report completed
 - Obtained key development consents addressing Aboriginal Heritage Act for Kwinana site
 - Kwinana site geotechnical work completed
 - Separate air quality, environmental commissioning plan, bushfire assessment and construction management plans commenced

Project Engineering

The SSP Stage 1 / Phase 1 engineering study workstreams were completed in August 2024. Current project engineering activities are now focused on the Stage 1 / Phase 2 workstreams which commenced following the appointment of GR Engineering Services Limited (GRES) as the lead contractor to compliment Cadoux's internal project team's resources.

The Phase 2 workstreams comprised critical path, optimisation, technical development and broader project activities and include Kwinana site planning and environmental approvals.

GRES's role for the SSP project workstreams include:

- delivery of the project by key milestone dates
- preparation of the project fabrication and construction budget and schedule
- management of procurement, including competitive tendering process
- management, administration and supervision of the work packages
- coordination of the design and construction works between other works package contractors
- performance review of the design and engineering
- detailed project execution and delivery framework for successful Stage 1 / Phase 2 completion
- the project being delivered on budget.

The SSP engineering studies will be of Front-End Engineering and Design (FEED) standard and will include various key processing sections within the process flowsheet that the development team are continuing to optimise for maximum production and project economics.

HPA Product Marketing

In response to product marketing outreach activities and positive responses from potential customer groups, trial HPA samples were forwarded to selected parties for quality and purity assessment and product suitability.

The downstream opportunities being co-developed by Cadoux also present multiple HPA market channels.

HPA Research and Development – Downstream Opportunities

Cadoux is engaged in several research and development lead studies evaluating commercialisation opportunities for its unique high quality HPA. The development is focused on growth sectors for HPA focusing on the material's unique chemical and physical properties as well as the exceptional purity resulting from Cadoux's innovative refining process.

Cadoux commenced two separate downstream HPA commercialisation opportunity projects during the quarter. Both projects are heavily R&D based and have outstanding long-term HPA market and sales implications. Cadoux will participate in and co-fund both projects with the objective to assess the market opportunities and to build sales channels.

HPA MARKET SECTOR SPOTLIGHT - SEMICONDUCTORS

Strong demand for HPA continues to be noted as upswings in the global tech cycle drives growth. Whilst electric vehicle growth has slowed recently, strong demand for AI related semiconductors for increased computing power and storage capabilities could become a new key driver for HPA product growth.

HPA is an important component in the production of semiconductors as it is used in the production of microchip wafers. The HPA, in ceramic form, provides hardness, high elastic modulus, high wear resistance, excellent insulation, a high level of plasma corrosion resistance and low expansion characteristics to the microchip wafers. As microchip sizes decrease, the possibility of deformation and microscopic contaminants on the microchip and adversely affecting performance increases.

Successful spray coating HPA material for semiconductors requires the following properties:

- High purity (low contaminants)
- Good fluidity such that the alumina particles can be applied stably and consistently to plasma flame during spraying
- Shape of the particles must maintain consistency during supply and before melting in plasma flame
- Complete melting of product during spraying.

The above qualities for coatings are necessary properties for any components that will be used in the process of making microchips and other sensitive computer micro-electronics. Cadoux's premium high quality HPA is an ideal material that meets these specification requirements.

McKinsey and Company research suggests AI accelerator chips (chips designed to work with neural networks and machine learning) will see a growth rate of approximately 18% annually - five times greater than that of traditional semiconductors used in non-AI applications. Global semiconductor sales are forecast to reach US1 trillion dollars as early as 2030 (up from US\$600 billion in 2021).

Given the semi-conductor market growth dynamics and the requirement for HPA in critical components to sustain AI development, Cadoux is motivated to continuing development of its high quality HPA to address various microchip product markets.

References:

Technavio (2024): *Global High Purity Alumina Market 2024-2028*

McKinsey and Company: *McKinsey on Semiconductors March 2024*

MINHUB MINERAL SEPARATION PLANT AND RARE EARTHS PROJECT

Minhub Operations Pty Ltd (MOPL) is developing the Minhub mineral separation plant (MSP) in Darwin for the production of mineral sands concentrates and targeted rare earths minerals.

Corporate

In July, Arafura Rare Earths Ltd (ARU) announced to the market that they were ceasing funding for the Minhub project to focus solely on the delivery of their Nolans Project.

MOPL may review the decision but otherwise may continue to engage with ARU as a potential offtake partner for monazite production from the proposed Darwin mineral separation facility.

Cadoux has a 50% interest in MOPL and is now providing 100% of the funding to MOPL for the feasibility study and associated research and development costs as the project progresses towards finalising the Minhub studies.

Development

Feasibility Study

MOPL continued to advance the feasibility study for the MSP. During the study, several positive outcomes have emerged from the testwork further informing the benefit of accommodating multi-client feedstocks that are now currently being considered by the Company. Modifications in the project process flowsheet to incorporate the improvements will impact the scheduled delivery date of the study that is now scheduled for completion in Q1 2024.

As a consequence of the process modifications and in line with Minhub's broader rare earth strategy, MOPL has commenced scoping studies on a dedicated downstream processing facility for Heavy Rare Earths from xenotime in collaboration with potential international partners.

International Market Engagement

Following the participation in an Australian critical mineral's delegation to UK, France and Germany in June 2024, Minhub is continuing with its outreach activities and developing relationships with US based parties to collaborate on the MSP strategy and the downstream processing of heavy rare earths. Minhub Managing Director, Neil Oloughlin, is engaged in an extensive US marketing trip incorporating selected one-on-one meetings and participating in key industry conferences.

CADOUX CORPORATE

West Mekong Minerals Potash

During the September quarter, Cadoux relinquished the potash tenement applications in Thailand that were held under a wholly owned subsidiary of Cadoux, West Mekong Minerals. The decision to surrender the tenements was due to the long-standing Thailand government moratorium deferring the approval of potash licences which ultimately limited the Company's ability to operate on the tenements without security over the project assets.

Treasury

The Company ended the September 2024 quarter with a cash balance of ~\$2.74 million (June: \$4.86 million).

ASX Additional Information

ASX listing rule 5.3.1 and 5.3.2 - Exploration and evaluation cash payments (net of GST and staff costs) during the quarter were approximately \$0.69 million. Details of exploration, evaluation and development activities during the June 2024 quarter are set out in this report.

The Company advanced \$0.755 million to MOPL (an associated entity) during the quarter to finance the MSP feasibility study and associated research and development.

There were no substantive mining production activities during the quarter.

ASX listing rule 5.3.5 - Appendix 5B, Section 6.1 – description of payments: During the quarter \$96,591 was paid to Directors for director fees and applicable superannuation.

ENVIRONMENTAL SOCIAL GOVERNANCE

Responsible and sustainable production of HPA and critical minerals is a fundamental principle to Cadoux's business model. Cadoux believes the ability to manage ESG risks and opportunities is increasingly important for the Company's license to operate, the shaping of its business and the future impact on the Company's bottom line. Providing sustainable options, visibility and accountability is equally important to our potential customers as well as other stakeholders throughout our supply chain.

Cadoux acknowledges its responsibilities as an emerging low carbon producer for its HPA projects and its ESG obligations through adopting the United Nations Sustainable Development Goals (SDGs) as a framework to achieve long term sustainability.

September Quarter ESG Activities

This quarter, Cadoux continued to progress on its ESG journey as a valuable contributor to a sustainable world by innovating responsibly, giving back to the community, reducing environmental impact and assisting carbon reduction for future generations.

Cadoux's ESG activities for the September quarter included:

- Continuing to expand its stakeholder communication through social media, actively soliciting feedback on community priorities, interests and concerns
- Actively participating in ESG working group meetings hosted by the Critical Minerals Association Australia, with the goal of increasing the critical minerals industry's understanding and implementation of ESG practices
- Continuing to incorporate the risk assessment from the Task Force on Climate Related Financial Disclosures into the Company risk management framework within the strategy set by the ESG Committee
- Being involved in our communities. Our employees' community help activities range from feeding the homeless and donating blood to being an Ambassador for the RUAH Women Refuge Centre
- Continuing to cultivate and foster a multicultural workforce
- Continuing to review of partners within our supply chain and their ESG ambitions and disclosures
- The continued development and refinement of our company's ESG strategy through multiple workshops presented by Dr Sandy Chong
- Training and informing Cadoux board directors on the latest national and international regulatory frameworks and policies in responsible mining and ESG standards.

Cadoux continues its incremental progress improvement of its ESG journey. The Company is committed to being a contributor to a sustainable world by innovating and operating responsibly. Cadoux acknowledges the value of incremental improvements in giving back to the community, reducing environmental impact and assisting in global carbon reduction.

ESG Reporting and Quarterly ESG Activity Summary

Cadoux's September 2024 Quarterly ESG Progress Report

Cadoux Limited

ASX:CCM

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Cadoux's September 2024 Quarterly ESG Comparison Report

Cadoux Limited

ASX:CCM

CADOUX QUARTERLY ACTIVITY SUMMARY

Activities achieved during September 2024 Quarter include:

- ✓ HPA FS Stage 1/ Phase 1 completed
- ✓ Stage 1 / Phase 2 technology qualification test work finalised
- ✓ HPA FS Stage 1/ Phase 2 engineering activities commenced under GRES
- ✓ HPA SSP site environmental, social and legal permitting activities continued
- ✓ Third party vendor critical equipment package workstreams committed for SSP
- ✓ HPA samples shipped to selected interested customer parties
- ✓ R&D studies on downstream HPA opportunities with Curtin University underway
- ✓ Submission of R&D Tax Incentive claim (\$848,880 payment received October 2024)
- ✓ Minhub rare-earth project FS engineering streams being collated
- ✓ Second Minhub structured international marketing and outreach program underway
- ✓ ESG continual incremental improvement to continue – incorporating Minhub activities

Planned December 2024 Quarter activities to include:

- HPA FS Stage 1/ Phase 2 engineering workstreams to continue
- Special HPA project engineering flowsheet development options continue to be investigated
- Downstream HPA product development with international partners to commence
- Follow up HPA sample shipments following request from potential customers and internal development partners
- HPA SSP site environmental, social and legal permitting activities to continue
- Third party vendor critical equipment package engagement to increase
- R&D studies with Curtin University to continue
- Minhub rare-earth project feasibility study to be collated and reviewed
- Preparation of Minhub R&D Tax Incentive claim
- International marketing program for Minhub outcomes to be assessed
- HPA and Minhub ESG activities to continue

Authorised for release by Roland Hill, Managing Director.

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Interest in Mineral Tenements as at 30 September 2024

Tenement	Location	Interest at the beginning of the quarter	Interest at the end of the quarter
E70/4673	Western Australia	100%	100%
M70/1388		100%	100%
WMM SPLs (6)	Thailand	100% (under application)	-

About Cadoux Limited

Through the dual overlays of robust project economics and ESG, Cadoux aims to increase long term shareholder value whilst fostering increasing project sustainability.

Cadoux is an emerging developer of critical minerals projects, focused on two key materials essential for global electrification – high purity alumina (HPA) and rare earth minerals which are key feedstock for rare earth magnets. Cadoux is positioning itself to be a significant producer in both markets to take advantage of growing demand in rapidly developing high-tech product markets and contributing significantly to the global momentum for a decarbonised future.

Both Cadoux's HPA and the Minhub projects align strongly with Australia's critical minerals policy by inducing new supply of essential critical minerals and creating value adding, new sovereign supply chains for strategic minerals.

HPA is increasingly becoming the preferred input material for certain high-tech products, principally for its unique characteristics and chemical properties in high specification requirements. Key markets include LEDs and other sapphire glass products, although a longer-term driver for HPA, with forecasts of >33% year-on-year growth (GAGR)*, is the electric vehicle and static energy storage markets where the HPA increases power, functionality and safety when used as a separator material between the anode and cathode in high performance batteries.

An innovative process design by Cadoux has enabled the integrated production of high quality, HPA up to 99.999 (5N) purity at robust economically sustainable operating costs. This has been demonstrated through a pilot plant and extensive market studies. Cadoux is now looking to commercially develop that process through a staged development which includes a 1,000tpa small scale production facility in Western Australia followed by a 10,000tpa full scale commercial plant.

Cadoux's HPA strategy has won the backing of State and Federal governments, with Cadoux being the only junior developer with both Western Australian lead agency status and also designated as Major Project Status by the Federal Government.

In the Northern Territory, Cadoux, through its investment in Minhub Operations Pty Ltd, is opening up a new supply chain for Australia's emerging rare earths and mineral sands projects with the development of the Minhub Project which will include a mineral separation and rare earths minerals processing facility in Darwin. Minhub aims to process 3rd party mineral concentrate and supply rare earth rich xenotime and monazite mineral products to select markets. This includes potentially refining the rare earth mineral xenotime, enabling a significant increase in the supply of critical magnet feed rare earth metals dysprosium and terbium for key markets such as Electric Vehicles.

* Technavio (2024): Global High Purity Alumina Market 2024-2028.

Appendix 5B

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

Name of entity

Cadoux Limited

ABN

85 061 289 218

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(695)	(695)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(494)	(494)
	(e) administration and corporate costs	(211)	(211)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	33	33
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,367)	(1,367)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities*	(755)	(755)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(755)	(755)

*Loan to Minhub Operations Pty Ltd (associated entity)

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,862	4,862
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,367)	(1,367)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(755)	(755)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,740	2,740

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	370	742
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposit)	2,370	4,120
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,740	4,862

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	97
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,121)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,121)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,740
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,740
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.0
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2024

Authorised by: Roland Hill, Managing Director
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

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

entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.