

30 April 2024
ASX Quarterly Report

Activity Report for the Quarter Ended 31 March 2024

Highlights

- Cadoux's High Purity Alumina (HPA) project maintains steady progress on engineering and general project development workstreams
- HPA Stage 1 Engineering Feasibility Study (EFS) nears completion; Stage 2 EFS selected works already commenced
- HPA market development focused on downstream applications and developing markets
- Detailed Kwinana HPA site permitting initiated
- Organisational structure expands commensurate to project activities increasing
- Minhub rare earths project continues Feasibility Study (FS) engineering phase with IHC Mining leading engineering studies
- Minhub project accelerator program investigated to hasten FS completion and multi-customer feedstock works
- Minhub project site permitting completed and initial site works commenced
- ESG related activities continued and Top Industry rating maintained for the quarter

Emerging critical minerals producer Cadoux Ltd (ASX: CCM) ("Cadoux" or the "Company") is pleased to release its activities report for the quarter ending 31 March 2024.

Cadoux is committed to developing its critical mineral projects which includes ultra-high quality, high purity alumina (HPA) in Western Australia, the Minhub rare earths processing facility in the Northern Territory and associated downstream developments.

QUARTER ACTIVITIES SUMMARY

OPERATIONS

HPA Project

The March 2024 quarter HPA workstreams continued in line with the development schedule including the Stage 1 EFS which is nearing completion. Broader project development on supporting workstreams such as technical development and novel engineering solutions as well as product market development also continued.

In accordance with the project development schedule, the Stage 2 EFS is being developed in parallel with certain long lead and technology items that will be incorporated in the Stage 2 scope of works once Stage 1 is finalised and signed off by project engineers, Control and Thermal Engineering (CTE), and in-house project team.

Cadoux Corporate

- Cadoux's organisational structure expands ahead of increasing project development and operational activities
- Key management and operational roles filled
- Detailed corporate and project financing options continue to be examined

Development

Project development tasks progressed by the Company and its technical advisors during the quarter include:

- Campaign investigation on downstream specific end user applications continued. Follow up bulk product run planned to produce additional sample product and test further process finishing refinements
- Product development for specific end user requirements was progressed
- HPA R&D partners engaged on multiple downstream HPA market opportunities
- European and US HPA growth market opportunities continue to develop

Engineering

During the March 2024 quarter CTE, as Cadoux's process engineering service provider, continued to provide support to the HPA small scale production plant (SSP) project through multiple work programs including:

- Engineering FS Stage 1 and 2 workstreams progressed
- Stage 1 completion work the key focus for both CTE and Cadoux
- Stage 1 completion scheduled for July 2024
- Stage 2 selective works developed
- Third party vendor parties engaged for selected Stage 2 EFS equipment and services
- Innovative equipment design engineering improvements on key process items

Minhub Rare Earths Project

Development

- Environmental site and operational assessment completed
- Site development application advanced with compilation of the site environmental report and preparation of development application to allow early siteworks.
- Feasibility studies continued utilising third party feedstocks of rare earth rich concentrates. The FS is expected in September 2024.
- Project accelerator program initiated following completion of favourable costing study
- High level cost estimate completed by project engineers IHC Mining
- Detailed site plan and design finalised
- Stakeholder engagement plan completed
- Stakeholder engagement continued focusing on numerous Northern Territory Government departments
- Project risk management framework established

Engineering

- IHC Mining continued engineering work streams for FS of multi-client processing facility
- Metallurgical testwork continues in relation to several feedstocks and ongoing offtake discussions with feedstock partners.
- Engineering scope for differing client concentrate streams continues
- Capex and opex optimisation studies for Minhub continue

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CORPORATE

Treasury

The Company ended the March 2024 quarter with a cash balance of ~\$6.3 million (December: \$7.8 million).

ASX Additional Information

ASX listing rule 5.3.1 and 5.3.2 - Exploration and evaluation cash payments (net of GST) during the quarter were approximately \$1.2 million. Details of exploration, evaluation and development activities during the December 2023 quarter are set out in this report.

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 \$138,475 was paid to Directors for director fees and applicable superannuation.

ENVIRONMENTAL SOCIAL GOVERNANCE

ESG 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 framework to achieve long term sustainability.

March Quarter ESG Activities

Cadoux continues its incremental improvement of its ESG journey as well being a contributor to a sustainable world by innovating and operating responsibly. Cadoux acknowledges the value of small improvements in giving back to the community reducing environmental impact and assisting carbon reduction in our operations.

ESG Activities for the quarter included:

- Risk and strategy survey recommendations on climate related financial disclosure incorporated into Cadoux ESG framework
- Increase stakeholder communication through the Company's social media channels, and actively responding to stakeholder feedback
- Review of partners within our supply chain and their ESG ambitions and disclosures
- Prioritising of supply chain security and transparency for the HPA and Minhub businesses

ESG Reporting and Quarterly ESG Activity Summary
Cadoux's March 2024 Quarterly ESG Progress Report

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Cadoux Limited		Progress			
ASX:CCM		P	G	C	N
		In progress	Gap	Completed	Not applicable
Period Comparison (Period 11 vs 12)					
Governance		Period 11 (Oct to Dec 2023)		Period 12 (Jan to Mar 2024)	
Code	Description	Status	Progress (A1-A5)	Status	Progress (A1-A5)
GOVERNING PURPOSE					
GO-01-C1	Setting purpose	VERIFIED	C C C C C	VERIFIED	C C C C C
QUALITY OF GOVERNING BODY					
GO-02-C1	Governance body composition	VERIFIED	C C C P C	VERIFIED	C C C C P
STAKEHOLDER ENGAGEMENT					
GO-03-C1	Material issues impacting stakeholders	VERIFIED	C C C C C	VERIFIED	C C C C C
ETHICAL BEHAVIOUR					
GO-04-C1	Anti-corruption practices	VERIFIED	C C C	VERIFIED	C C C
GO-04-C2	Mechanisms to protect ethical behaviour	VERIFIED	C C	VERIFIED	C C
RISK AND OPPORTUNITY OVERSIGHT					
GO-05-C1	Integrating risk and opportunity into business process	VERIFIED	P C C C C	VERIFIED	C C C C P
Planet		Period 11 (Oct to Dec 2023)		Period 12 (Jan to Mar 2024)	
Code	Description	Status	Progress (A1-A5)	Status	Progress (A1-A5)
CLIMATE CHANGE					
PL-01-C1	GHG emissions	VERIFIED	C C P	VERIFIED	C C P
PL-01-C2	TCFD implementation	VERIFIED	P C P	VERIFIED	C P P
NATURE LOSS					
PL-02-C1	Land use and key biodiversity areas	VERIFIED	C N N N C	VERIFIED	N N C C N
FRESHWATER AVAILABILITY					
PL-03-C1	Water consumption	VERIFIED	N N N C C	VERIFIED	N C N C N
People		Period 11 (Oct to Dec 2023)		Period 12 (Jan to Mar 2024)	
Code	Description	Status	Progress (A1-A5)	Status	Progress (A1-A5)
DIGNITY AND EQUALITY					
PE-01-C1	Diversity and inclusion	VERIFIED	C C C C C	VERIFIED	C C C C C
PE-01-C2	Pay equality	VERIFIED	C P C P	VERIFIED	C C P P
PE-01-C3	Wage level	VERIFIED	P P	VERIFIED	P P
PE-01-C4	Child, forced or compulsory labour	VERIFIED	C	VERIFIED	C
HEALTH AND WELL-BEING					
PE-02-C1	Health and safety	VERIFIED	P C	VERIFIED	P C
SKILLS FOR THE FUTURE					
PE-03-C1	Training provided	VERIFIED	C C	VERIFIED	C C
Prosperity		Period 11 (Oct to Dec 2023)		Period 12 (Jan to Mar 2024)	
Code	Description	Status	Progress (A1-A5)	Status	Progress (A1-A5)
EMPLOYMENT AND WEALTH GENERATION					
PR-01-C1	Rate of employment	VERIFIED	C C	VERIFIED	C C
PR-01-C2	Economic contribution	VERIFIED	C C	VERIFIED	C C
PR-01-C3	Financial investment contribution	VERIFIED	C C	VERIFIED	C C
INNOVATION OF BETTER PRODUCTS AND SERVICES					
PR-02-C1	Total R&D expenses	VERIFIED	C	VERIFIED	C
COMMUNITY AND SOCIAL VITALITY					
PR-03-C1	Total tax paid	VERIFIED	C	VERIFIED	C

Cadoux's March 2024 Quarterly ESG Comparison Report

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Cadoux Limited ASX:CCM		Period Comparison (Period 11 vs 12)			
		Period 11 (Oct to Dec 2023)		Period 12 (Jan to Mar 2024)	
Code	Description	Status	Progress (A1-A5)	Status	Progress (A1-A5)
Governance					
GOVERNING PURPOSE					
GO-01-C1	Setting purpose	VERIFIED	C C C C C	VERIFIED	C C C C C
QUALITY OF GOVERNING BODY					
GO-02-C1	Governance body composition	VERIFIED	C C C P C	VERIFIED	C C C C P
STAKEHOLDER ENGAGEMENT					
GO-03-C1	Material issues impacting stakeholders	VERIFIED	C C C C C	VERIFIED	C C C C C
ETHICAL BEHAVIOUR					
GO-04-C1	Anti-corruption practices	VERIFIED	C C C	VERIFIED	C C C
GO-04-C2	Mechanisms to protect ethical behaviour	VERIFIED	C C	VERIFIED	C C
RISK AND OPPORTUNITY OVERSIGHT					
GO-05-C1	Integrating risk and opportunity into business process	VERIFIED	P C C C C	VERIFIED	C C C C P
Planet					
CLIMATE CHANGE					
PL-01-C1	GHG emissions	VERIFIED	C C P	VERIFIED	C C P
PL-01-C2	TCFD implementation	VERIFIED	P C P	VERIFIED	C P P
NATURE LOSS					
PL-02-C1	Land use and key biodiversity areas	VERIFIED	C N N N C	VERIFIED	N N C C N
FRESHWATER AVAILABILITY					
PL-03-C1	Water consumption	VERIFIED	N N N C C	VERIFIED	N C N C N
People					
DIGNITY AND EQUALITY					
PE-01-C1	Diversity and inclusion	VERIFIED	C C C C C	VERIFIED	C C C C C
PE-01-C2	Pay equality	VERIFIED	C P C P	VERIFIED	C C P P
PE-01-C3	Wage level	VERIFIED	P P	VERIFIED	P P
PE-01-C4	Child, forced or compulsory labour	VERIFIED	C	VERIFIED	C
HEALTH AND WELL-BEING					
PE-02-C1	Health and safety	VERIFIED	P C	VERIFIED	P C
SKILLS FOR THE FUTURE					
PE-03-C1	Training provided	VERIFIED	C C	VERIFIED	C C
Prosperity					
EMPLOYMENT AND WEALTH GENERATION					
PR-01-C1	Rate of employment	VERIFIED	C C	VERIFIED	C C
PR-01-C2	Economic contribution	VERIFIED	C C	VERIFIED	C C
PR-01-C3	Financial investment contribution	VERIFIED	C C	VERIFIED	C C
INNOVATION OF BETTER PRODUCTS AND SERVICES					
PR-02-C1	Total R&D expenses	VERIFIED	C	VERIFIED	C
COMMUNITY AND SOCIAL VITALITY					
PR-03-C1	Total tax paid	VERIFIED	C	VERIFIED	C

Progress

- P In progress
- G Gap
- C Completed
- N Not applicable

Cadoux Activity Summary

Activities achieved during March 2024 Quarter include:

- ✓ Cadoux's engineering service provider, CTE, continued progressing SSP project workstreams
- ✓ Minhub multi-client processing facility engineering progresses under IHC Mining
- ✓ Feedstock studies for Minhub continued
- ✓ Site permitting activities for HPA and Minhub
- ✓ HPA process refinements developed and incorporated into operational design
- ✓ HPA commercial product development and material finishing progressed
- ✓ HPA intermediate and end product development
- ✓ Product marketing ongoing
- ✓ HPA SSP and Minhub project sites finalised
- ✓ ESG rating and quarter activities progress update

Planned June 2024 Quarter activities to include:

- HPA EFS 1 engineering and development studies to continue
- Continue HPA tech optimisation and development on flowsheet design
- HPA SSP site permitting activities to continue
- Minhub rare-earth project feasibility study nearing finalisation – scheduled for September 2024
- Targeted HPA product marketing initiatives to continue following new product inquiries received
- HPA R&D downstream development with Curtin University commence
- Detailed end user test work for downstream HPA finishing to customer requirements
- ESG continual incremental improvement planned

Authorised for release by Roland Hill, Managing Director.

For more information please contact:

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Interest in Mineral Tenements as at 31 March 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)	100% (under application)

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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 thus contributing significantly to the global momentum for a decarbonised future.

Both Cadoux's HPA and '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. A longer-term driver for HPA, with forecasts of >17% year-on-year growth (GAGR)*, is the electric vehicle and static energy storage markets. The use of HPA as a separator material between the anode and cathode in high performance batteries increases power, functionality and safety.

An innovative process design by Cadoux has enabled the integrated production of high quality, high purity alumina (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 be designated with Major Project Status by the Federal Government.

In the Northern Territory, Cadoux is opening up a new supply chain for Australia's emerging rare earths and mineral sands projects through the development of the Minhub Project which will include a mineral separation and rare earths minerals processing facility in Darwin. Through a commercial framework, Arafura Rare Earth Limited (ASX: ARU) has the right to own up to 50% of the project via pro-rata funding with Cadoux. Minhub aims to process third party mineral concentrate and supply rare earth rich xenotime and monazite mineral products to select markets. This includes potentially supplying Arafura with 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.

* CRU HPA Industry Report 2021

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")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,028)	(2,298)
(b) development	-	-
(c) production	-	-
(d) staff costs	(324)	(914)
(e) administration and corporate costs	(220)	(779)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	77	198
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,816
1.8 Other (provide details if material)	10	10
1.9 Net cash from / (used in) operating activities	(1,486)	(1,967)

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	-	-

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 (9 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	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
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	7,802	8,283
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,486)	(1,967)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,316	6,316

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	261	849
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposit)	6,055	6,953
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,316	7,802

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	138
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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.		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,486)
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)	(1,486)
8.4 Cash and cash equivalents at quarter end (item 4.6)	6,316
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	6,316
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.25
<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

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

Date: 30 April 2024

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

Notes

- 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.