

8 May 2024
ASX Announcement

Cadoux Acquires 50% stake in MOPL

Cadoux strengthens its critical minerals strategy through strategic stage one acquisition of emerging rare earths producer Minhub Operations Pty Ltd (MOPL)

Highlights

- **MOPL is a private company with an emerging rare earths beneficiation and production strategy via development of a Darwin based mineral separation plant, Minhub**
- **Cadoux has a focused critical minerals production objective and innovative approach to long term participation in strategic production assets**
- **Cadoux recognizes the distinctive business model and market opportunities represented by the Minhub production facility**
- **Cadoux activates first tranche purchase of 50% of MOPL to further collaborate rare earths project development**

Emerging critical minerals producer Cadoux Limited (ASX: CCM) (Cadoux or the Company) is pleased to advise that the Company has acquired a 50% stake in emerging rare earth producer, Minhub Operations Pty Ltd (MOPL) under an agreed two stage Share Purchase Agreement (SPA).

The purchase is consistent with the terms of the binding Heads of Agreement (HOA) between Cadoux and MOPL, and set out in the announcement of 9 May 2023, regarding the joint development of the Minhub mineral sands processing facility in Darwin with the proposed future production aligning with Australian sovereign supply chain objectives.

Cadoux's first stage purchase of 50% of the issued shares in MOPL follows due diligence reviews and the completion of several key conditions precedent to the acquisition. Cadoux will issue 4,000,000 shares in consideration of the stage one acquisition.

Under the HOA and SPA, Cadoux is collaborating with MOPL to meet the project milestones for stage two of the acquisition, taking its interest in MOPL to 100%.

About Minhub Operations Pty Ltd (MOPL)

MOPL is developing the Minhub third-party downstream heavy mineral sands and rare earths production facility to be based in Darwin in collaboration with Arafura Rare Earth Limited (ASX: ARU), who has the right to own up to 50% via pro-rata funding with Cadoux. Minhub is designed to work with emerging mineral sands producers to process xenotime and monazite concentrates for select markets and supply ARU with rare earths feedstocks which will be upgraded to a suite of premium products.

Please see www.minhub.com.au and www.cadoux.com.au websites for further details of the Minhub rare earth project.

FYI Managing Director Roland Hill commented: "Cadoux has a clear critical minerals development objective. Whilst HPA is our core focus, we see a unique opportunity and definite market advantage to Minhub's development and long-term production strategy of heavy rare earths. We have been working closely with MOPL since May last year and are encouraged about project progress and the emerging market potential of the various rare earth streams produced. We will continue to work with MOPL to complete the outcomes defined under our HOA. The Minhub project is innovative in concept, and a very exciting project to be involved with considering the potential commercial benefit that the project offers".

This announcement is authorised for release by Roland Hill, Managing Director.

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About Cadoux Limited

Cadoux is an emerging developer of high-quality critical minerals. Cadoux is focusing on two potential worldclass projects – high purity alumina (HPA) and the Minhub rare earths downstream production. Cadoux is positioning itself to be a significant producer of both HPA and rare earths to address growing demand in the rapidly developing high-tech product markets and to contribute to a decarbonising future. Cadoux has developed an innovative process design for the integrated production of high quality, high purity alumina (HPA) predominantly for electric vehicles (lithium-ion batteries), sapphire glass (LED) and other broader tech applications. HPA is increasingly becoming the primary sought-after input material for certain high-tech products, principally for its unique characteristics and chemical properties that address those applications' high specification requirements, such as LEDs and other sapphire glass products. The longer-term driver for HPA, with forecasts of >17% year-on-year growth (GAGR)*, is the outlook for the burgeoning electric vehicle and static energy storage markets where the primary function is in use as a separator material between the anode and cathode in batteries to increase power, functionality and safety of the battery cells. Cadoux applies both an ESG and economic overlay to the Company and its operations to ensure long-term sustainability and shareholder value is created. The development of its projects has a strong alignment to Australia's critical minerals objectives by creating additional opportunity for value capture and downstream processing in Australia of globally strategic critical minerals and future looking industries.

* CRU HPA Industry Report 2021