

PYX awarded production license extension for “flagship” Mandiri zircon project

HIGHLIGHTS

- PYX secures mining license renewal until September 2025 for its Mandiri producing asset
- PYX cements its position of strength for planned further growth and production expansion
- Granting of IUP-OP license recognizes PYX’s compliance with Indonesian mining regulations and strong environmental ethics
- The Company’s Mandiri asset has engaged in mining, processing and production activities on the mineral sands deposit in Central Kalimantan, Indonesia since 2015
- The Mandiri asset contains 6 Mt of Inferred Resources of zircon, the largest discovery since 2012
- PYX produces premium quality zircon with the highest Heavy Mineral assemblage value amongst its peers

PYX Resources Ltd (PYX or the Company) (**NSX: PYX**), is pleased to announce that it has received notification from the Central Kalimantan Provincial Government that after approval from the Energy and Mineral Resources Department of Central Kalimantan, the Company’s application for the extension of the Production Operation Mining Activities IUP license has been granted for the maximum authorized period of 5 years, after which the license can be renewed for additional periods of 5 years. The Production and Operation IUP license allows PT Investasi Mandiri to carry out production operations including construction, mining, processing and refining, transportation and sales activities.

The terms of the renewed permit, including payment of Indonesian taxes and the honouring of other financial obligations of PYX’s subsidiary PT Investasi Mandiri, are set out in the IUP-OP. A summary of some of the key provisions is provided below:

- Dead rent is payable to the Government of Indonesia at a rate of US\$4 per hectare per annum;
- Royalty on Heavy Mineral Sands produced is 1.5%;
- Corporate tax of 25% is payable and set by the Government of Indonesia;
- Land and building taxes payable to the local government are applicable, at a rate of US\$0.53 per hectare; and
- Environmental obligations, including reclamation bonding and plans, approved by the local government as part of the mine approval process.

Commenting on the Company’s tenement license approval, PYX’s Chairman and Chief Executive Officer Oliver Hasler, said:

“PYX Resources is extremely pleased to report receipt of the notification for the renewal of the IUP-OP license for the Mandiri deposit.

This is a major milestone for the Company, extending the term of the license, and thus enabling PYX to continue its critical exploration and development expansion activity, at a time when the premium zircon market supply is forecasted to move into deficit from this year onwards.

29 June 2020

The diligence and hard work of our team, and the quick response time of Indonesian government departments, officials and stakeholders is greatly appreciated.”



PYX's Mandiri Project.

***** ENDS *****

For more information:

info@pyxresources.com

Tel.: +61 2 8823 3132

This announcement is authorised for release by Oliver B. Hasler, Chairman and Chief Executive Officer.

About PYX Resources

PYX Resources Limited (NSX: PYX) is a global producer of premium zircon listed on the National Stock Exchange of Australia. The Company's flagship asset is the Mandiri mineral sands deposit, located in the alluvium sediment rich region of Central Kalimantan, Indonesia. Boasting the world's 5th largest producing deposit of zircon, PYX is a large-scale, near-surface open pit operation in production since 2015 and with exploration to date validating the presence of additional Valuable Heavy Minerals such as rutile, ilmenite among others within its mineral sands.

Mandiri Inferred Resource

The Mandiri mineral sands deposit hosts a 6 Mt Inferred JORC Resource of zircon. The Company originally announced this resource in its Prospectus released on NSX on 20 February 2020 and confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus. All material assumptions and technical parameters disclosed in the Prospectus that underpin the estimates continue to apply and have not materially changed.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This NSX Announcement contains forward-looking statements and forward-looking information within the meaning of applicable Australian securities laws, which are based on expectations, estimates and projections as of the date of this NSX Announcement.

This forward-looking information includes, or may be based upon, without limitation, estimates, forecasts and statements as to management's expectations with respect to, among other things, the timing and amount of funding required to execute the Company's exploration, development and business plans, capital and exploration expenditures, the effect on the Company of any changes to existing legislation or policy, government regulation of mining operations, the length of time required to obtain permits, certifications and approvals, the success of exploration, development and mining activities, the geology of the Company's properties, environmental risks, the availability of labour, the focus of the Company in the future, demand and market outlook for precious metals and the prices thereof, progress in development of mineral properties, the Company's ability to raise funding privately or on a public market in the future, the Company's future growth, results of operations, performance, and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expect", "intend", "may" and similar expressions have been used to identify such forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the information is given, and on information available to management at such time. Forward looking information involves significant risks, uncertainties, assumptions and other factors that could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors, including, but not limited to, fluctuations in currency markets, fluctuations in commodity prices, the ability of the Company to access sufficient capital on favourable terms or at all, changes in national and local government legislation, taxation, controls, regulations, political or economic developments in Indonesia and Australia or other countries in which the Company does business or may carry on business in the future, operational or technical difficulties in connection with exploration or development activities, employee relations, the speculative nature of mineral exploration and development, obtaining necessary licenses and permits, diminishing quantities and grades of mineral reserves, contests over title to properties, especially title to undeveloped properties, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other geological data, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding, limitations of insurance coverage and the possibility of project cost overruns or unanticipated costs and expenses, and should be considered carefully. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Prospective investors should not place undue reliance on any forward-looking information.

Although the forward-looking information contained in this NSX Announcement is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure prospective purchasers that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither the

Company nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. The Company does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law.

No stock exchange, regulation services provider, securities commission or other regulatory authority has approved or disapproved the information contained in this NSX Announcement.