

PYX Resources' Operations Update

HIGHLIGHTS

- Strong production and sales volume growth of 34% and 39% respectively in the 12-month-period ended June 30, 2020 compared with the previous year
- Zero lost time injuries recorded since Takmur, PYX's 100% owned subsidiary, took over the Mandiri mine in January 2019
- No reported Covid-19 cases within the Group's operations
- Significant improvement in overall efficiency and staff productivity
- Continuing diversification of PYX's customer base, with a 33% increase in active customers
- Robust customer demand continues to grow

PYX Resources Ltd (PYX or the Company) (**NSX: PYX**) is pleased to provide the following operations update for the period from July 1, 2019 to June 30, 2020.

The Company continues to record a steady production ramp-up, strong sales volume growth, increasing workforce productivity and an expanding customer base.

In the 12-month-period ended June 30, 2020, PYX has increased its year-on-year premium zircon production by 34% compared with the previous year (July 1, 2018 to June 30, 2019). In the same period, very strong sales growth has been achieved; with the total premium zircon sold increasing by 39% on a year-on-year basis.

In FY2020, PYX has continued to diversify its customer base, with its sales now reaching buyers in most major economies in Europe and Asia, including the UK, France, Germany, Spain, China, India and Indonesia - with a 33% increase in the number of active customers. The premium zircon product has proven to be ideal for fused zirconia applications and for the ceramic sector.

Customer diversification has continued to increase, with the percentage of sales volume to the top three customers of the Company declining from 78.6% during the 12-month-period ending June 30, 2019 to 70.2% in the current period.

The strong sales and production growth have been achieved on the backdrop of a 2.1% reduction in Full Time Equivalent (FTE) personnel as a result of a significant improvement in overall productivity. At the same time the Company has been very successful in keeping work-related accidents with lost time to zero.

On the production front, the capacity in the Mineral Separation Plant (MSU) increased from 12kt to 18kt per annum as a result of the implementation of the capex investment programme.

During the first half of 2020, PYX has continued to record robust growth in its orderbook with the Company implementing comprehensive preventive COVID-19 measures to ensure robust customer demand can be met, while maintaining a tight finished goods inventory of 11 days as of June 30, 2020.

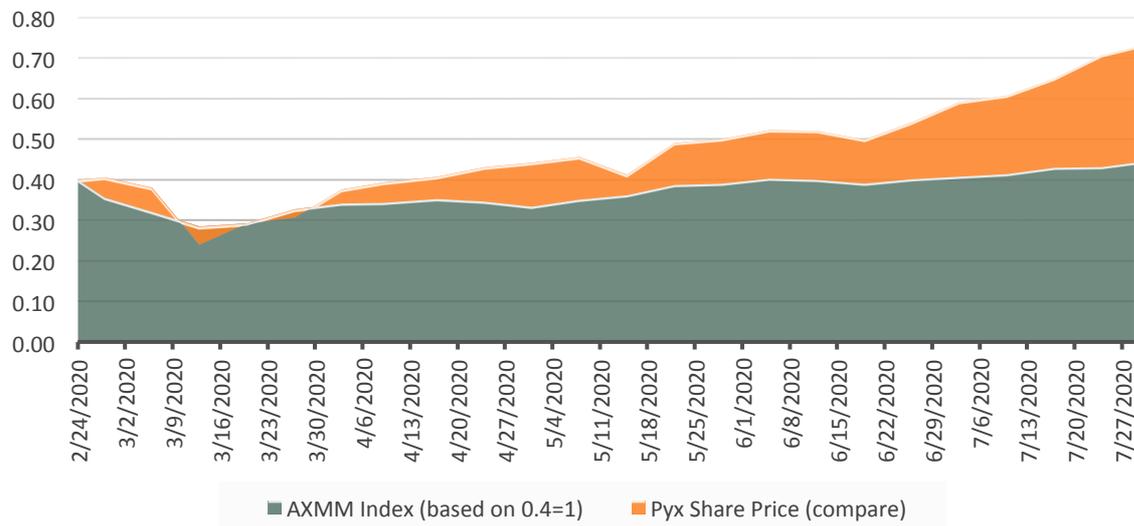
To improve the quality of PYX’s financial reporting while adopting first class corporate governance practices, a new financial and reporting system was implemented as of July 2019. The solid financial position ensures the Company is able to implement all necessary measures and react to any market or industry changes as a result of the COVID-19 pandemic, while undertaking a growth plan aimed at increasing its production capacity.

In June 2020, PYX received notification from the Central Kalimantan Provincial Government – that, after approval from the Energy and Mineral Resources Department of Central Kalimantan, an application for the extension of the Production Operation Mining Activities IUP license lodged by PT Investasi Mandiri (**PTIM**), the Company’s Indonesian subsidiary and project company, has been granted for the maximum authorised period of 5 years. After this period the license can be further renewed for an additional 5 years. The Production and Operation IUP license allows PTIM to carry out production operations including construction, mining, processing and refining, transportation and sales activities.

Commenting on the Company’s operation status and achievements in FY19-20, PYX Resources’ Chairman and Chief Executive Officer, Oliver Hasler, said:

“I’m extremely pleased to share with PYX’s shareholders the latest achievements for the 12-month-period ending on June 30, 2020. PYX is now operating a world-class mining operation, with strong global demand for our premium zircon product. Investors have shown tremendous support for our Company, which is reflected by the strong post-IPO performance with a 71.3% increase in our share price from the listing date to July 29th.”

Pyx Share Price Gain Against ASX Metals & Mining Index



***** 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, Mandiri 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.

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

30 July 2020

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.