



**The Emerging Force in the
Premium Zircon Industry**



2020 Full Year Results

September 16th, 2020

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A short, solid orange horizontal bar located below the 'Disclaimer' section header.

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Oliver B. Hasler
Chairman and CEO



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FY 2020 Highlights

Listed on the National Stock Exchange of Australia (NSX) on February 25, 2020 with strong share price performance since IPO

Premium zircon revenues increased to US\$7.8 million, with Sales Volumes increasing to 5,702 tonnes, an annual sales volume growth of 39% yoy

Solid zircon prices broadly in line with previous period

Robust customer demand with low inventories

Limited negative operating cash flow as a result of tight control on general and administrative expenses (Underlying EBITDA negative US\$861 k)

Debt free, with a closing net cash position of US\$4,209 k

Significant improvement in overall efficiency and staff productivity with increasing sales volume while decreasing personnel numbers

PYX secures mining license renewal until September 2025 for its Mandiri producing asset

Mandiri operation's production capacity expanded to 18,000 tpa

New Board with Strong Corporate Governance Framework

- Committed board of directors
- Best practices implemented
- Integrity and transparency
- Strong ethics
- Stringent standards and compliance requirements

NEWLY IMPLEMENTED PROCEDURES AND PRACTICES

- Anti-bribery and Corruption Policy
- Audit Committee Charter
- Board Charter
- Code of Conduct
- Disclosure Policy
- Diversity Policy
- Environment Policy
- Health and Safety Policy
- Modern Slavery Policy
- Process for Performance Evaluations
- Remuneration and Nomination Committee Charter
- Risk Management Policy
- Securities Trading Policy
- Whistle-blower Policy



Oliver Hasler
Executive Chairman & CEO



Gary J Artmont
Non-Executive
Director



Bakhos Georges
Non-Executive
Director



Alvin Tan
Non-executive
Director

PYX Cares: Our Holistic Sustainability Approach

We believe that our business can be a catalyst for change. Inspired by the Sustainable Development Goals (SDGs) set forth by the United Nations Development Program, we have introduced PYX Cares as our blueprint for making a difference and achieving sustainable growth.

A holistic sustainability programme, PYX Cares is designed to ensure we deliver sustainable value to all our stakeholders, from empowering local communities and protecting the environment, to promoting diversity and making sure our employees and the people of Kalimantan fully participate in our long-term success.

- **Environment**
- **Health & Safety**
- **Training & Education**
- **Society**



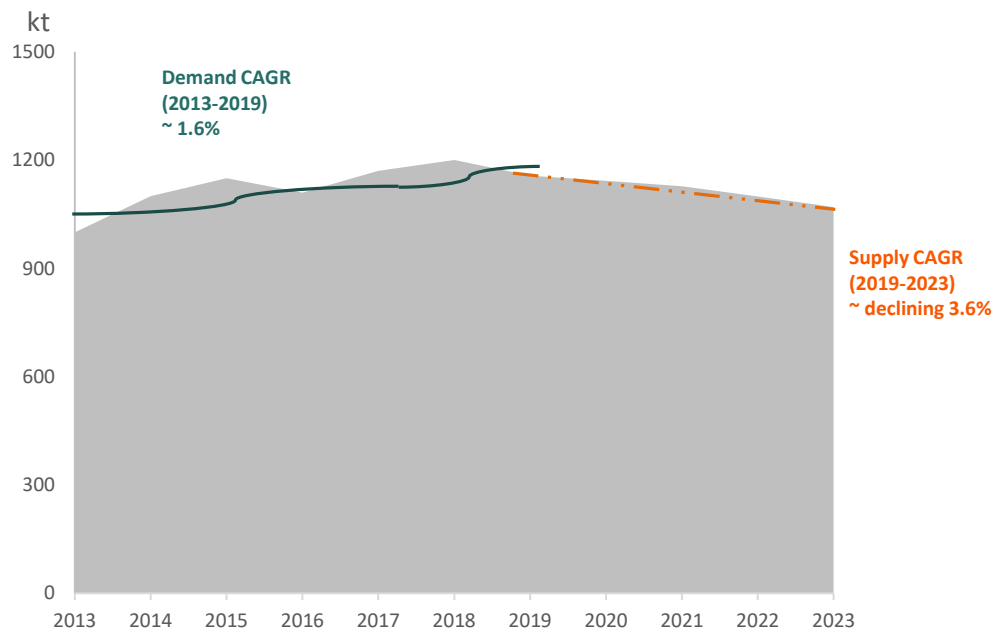
Safety and Health:

- Safety training
- Zero lost time due to injury
- Zero reported Covid-19 cases
- Health campaign
- Aid to local community



Long Term, a Large Supply Gap will Support Zircon Prices

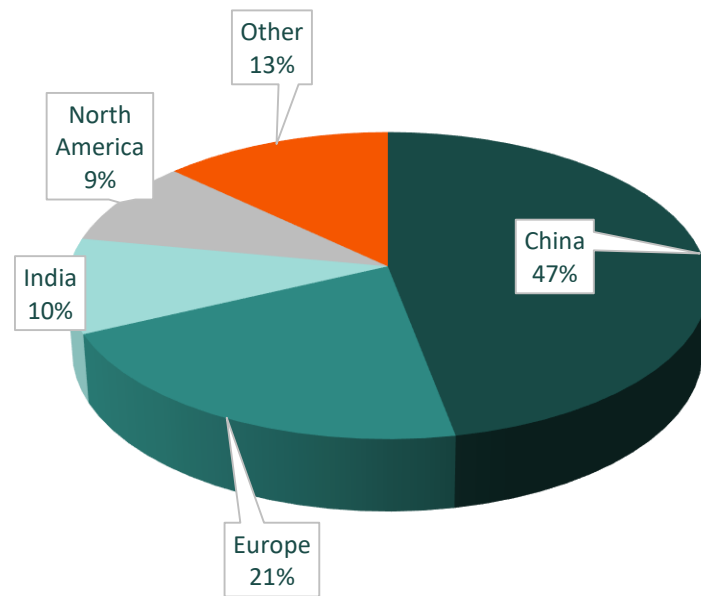
GLOBAL ZIRCON SUPPLY AND DEMAND OUTLOOK



Note: Illustrative demand CAGR (2019-23) are indicative only.

Source: Cedrus Investments Analysis

GLOBAL ZIRCON DEMAND BY REGION (2018)



Source: Cedrus Investments Analysis

2020 Zircon Market Dynamics Remain Favorable

Supply

- Pyx's Mandiri deposit is the only major mineral sands discovery since 2012
- Global supply is highly concentrated with top 5 producers controlling over 70% of world production
- Lack of supply potential for the foreseeable future and the future demand may exceed supply
- Grade of existing deposits is declining and USGS estimates global zircon reserves reduced from 78 Mt to 62 Mt
- A significant proportion of global zircon supply between 2016 and 2019 are from diminishing inventory, leading to a potential shortage of supply even if demand remains at current level

Demand

- About half of global annual zircon supply is met by Chinese demand for zircon
- Global zircon milling mostly focused on meeting demand from the ceramics industry (54%), followed by foundry (14%) and refractory (11%)
- Consumption of zircon by other novel applications such as medical implants, zirconium based chemicals (for electronics, fiber optics etc), and extraction of zirconium metal for corrosion resistant alloys and nuclear reactor cores and rods represents growing importance
- Global trade tensions and COVID-19 pandemic had relatively minor impact on zircon demand and Resumed operations in China lead to substantial demand for high-grade zircon

Robust Zircon Demand Across Applications

Application	Market Dynamics for Zircon
Ceramics	<ul style="list-style-type: none"> • Output and export of ceramic tiles in China is declining due to global economic environment, real estate policy, consumption upgrades and demand shift • The much bigger ceramic sanitary ware in China is growing at more than 6% p.a. • China’s total ceramic export value over US\$ 12.5 billion
Foundry	<ul style="list-style-type: none"> • China’s foundry production output to 41 mt of iron cast products and 7.3 mt of aluminium cast products, representing a 48% and 37% of global output, respectively • China's rapid foundries and casting industry growth is driven by automotive industry, and sectors such as aerospace, high-tech ships, medical devices and agri machinery • China represents 90% of the US\$4.2 billion growth in the foundry market
Refractory	<ul style="list-style-type: none"> • Zircon can be used as a neutral type of refractory, which accounted close to 60% of the total industry share which was over USD 30 billion in 2018 and the market for refractories is anticipated to USD 41 billion by 2025, register a CAGR of over 4% • Strong product demand from aerospace, electrical, automotive, glass, cement industries is expected to drive refractories market size globally.
Chemical	<ul style="list-style-type: none"> • Zirconia and zirconium based chemicals are widely used for pigment, electronics, catalysts, fiber optics, and water treatment • Growing importance with higher market share growth than other traditional uses

Pyx's Order Book is Solid and Well Diversified

- Pyx customer base consists of a pool of well-diversified international blue-chip customers globally
- Key customers are located across major European and Asian markets
- Today 100% of revenues are US\$ denominated

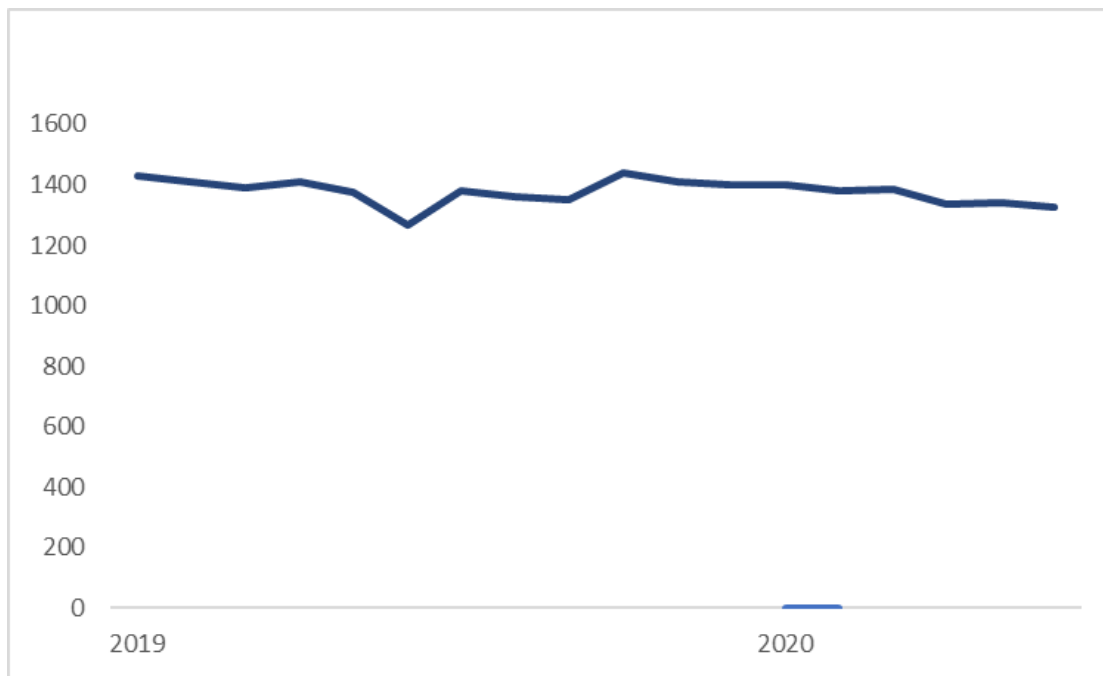


- Sales to top 3 major customers reduced from 79% → 70%.
- Strong weight towards China in the last 3 months
- Record high order book ever

Recent Turbulence only Marginally Affected PYX Prices

- Prices evolved with market
- Zircon Prices only 1.5% lower than in the previous period, despite the US-China trade conflict and the impact of the Covid-19 crisis
- This is a testament to the strength of the mineral sands market and in particular the zircon market
- Zircon prices reached an historic high during the fourth quarter of 2019.

ZIRCON (PREMIUM GRADE) PRICE IN 2019-2020



Summary of FY2020 Results

Financial Results

- Sales increased to US\$ 7,816k, an increase of 169%
- Underlying Group EBITDA of (US\$861 k), from US\$350 k

Cash Flow

- Closing cash position of US\$4,209 k
- Net debt free

Operational Performance

- Sales volume growth of 39%
- Production volume growth of 34%
- MSP capacity increase from 12 →18kt/year

Stock Market

- IPO on February 25th 2020
- Strong share price performance A\$0.40 to A\$0.575

Zircon Market

- Zircon prices in line with previous period
- Record demand and order book

Accounting Consolidation Perimeter Changes

Entities	Year Ended 30 June 2020		Year Ended 30 June 2019	
	Statement of profit or loss and Cash flows	Balance sheet	Statement of profit or loss and Cash flows	Balance sheet
Pyx Resources Ltd	From 1 Feb 2020 (date of RTO) to 30 June 2020	As at 30 June 2020	Not applicable	Not applicable
Takmur Pte Ltd	1 July 2019 to 30 June 2020	As at 30 June 2020	From 1 July 2018 (date of incorporation) to 30 June 2019	As at 30 June 2019
PT Andary Usaha Makmur	1 July 2019 to 30 June 2020	As at 30 June 2020	From 10 Jan 2019 (date of acquisition) to 30 June 2019	As at 30 June 2019
<i>PT Investasi Mandiri</i>	<i>1 July 2019 to 30 June 2020</i>	<i>As at 30 June 2020</i>	<i>From 24 Jan 2019 (date of acquisition) to 30 June 2019</i>	<i>As at 30 June 2019</i>

Income Statement Analysis

- 2019 comparability impacted by shorter accounting period for the operational unit
- Significant impact in 2020 related to non-recurring listing expenses and non cash acquisition losses

	[US\$]	FY2020	FY2019
Sales revenue	\$	7,816,397	\$ 2,903,161
Cash cost of production	\$	(6,462,179)	\$ (2,190,376)
Other income	\$	98,254	\$ 39,200
Selling and distribution expenses	\$	(153,741)	\$ (119,190)
Corporate and other expenses ¹	\$	(4,792,728)	\$ (234,242)
Foreign exchange gain/(loss)	\$	(228,196)	\$ -
Other expenses	\$	-	\$ (47,929)
Non-capitalized RTO and listing expenses	\$	(1,795,519)	
Acquisition loss	\$	(5,356,997)	\$ -
EBITDA	\$	(10,874,709)	\$ 350,624
Depreciation and amortisation	\$	(93,743)	\$ (32,056)
EBIT	\$	(10,968,452)	\$ 318,568
Net financial expenses	\$	(75,714)	\$ (574)
Net profit before tax	\$	(11,044,166)	\$ 317,994
Income tax	\$	158,271	\$ (84,264)
Net profit after tax (NPAT)	\$	(10,885,895)	\$ 233,730
Other comprehensive income/expense	\$	46,443	\$ -

UNDERLYING EBITDA

	[US\$]	FY2020	FY2019
EBITDA	\$	(10,874,709)	\$ 350,624
Non-recurring items ²	\$	10,013,781	\$ -
Underlying EBITDA	\$	(860,928)	\$ 350,624

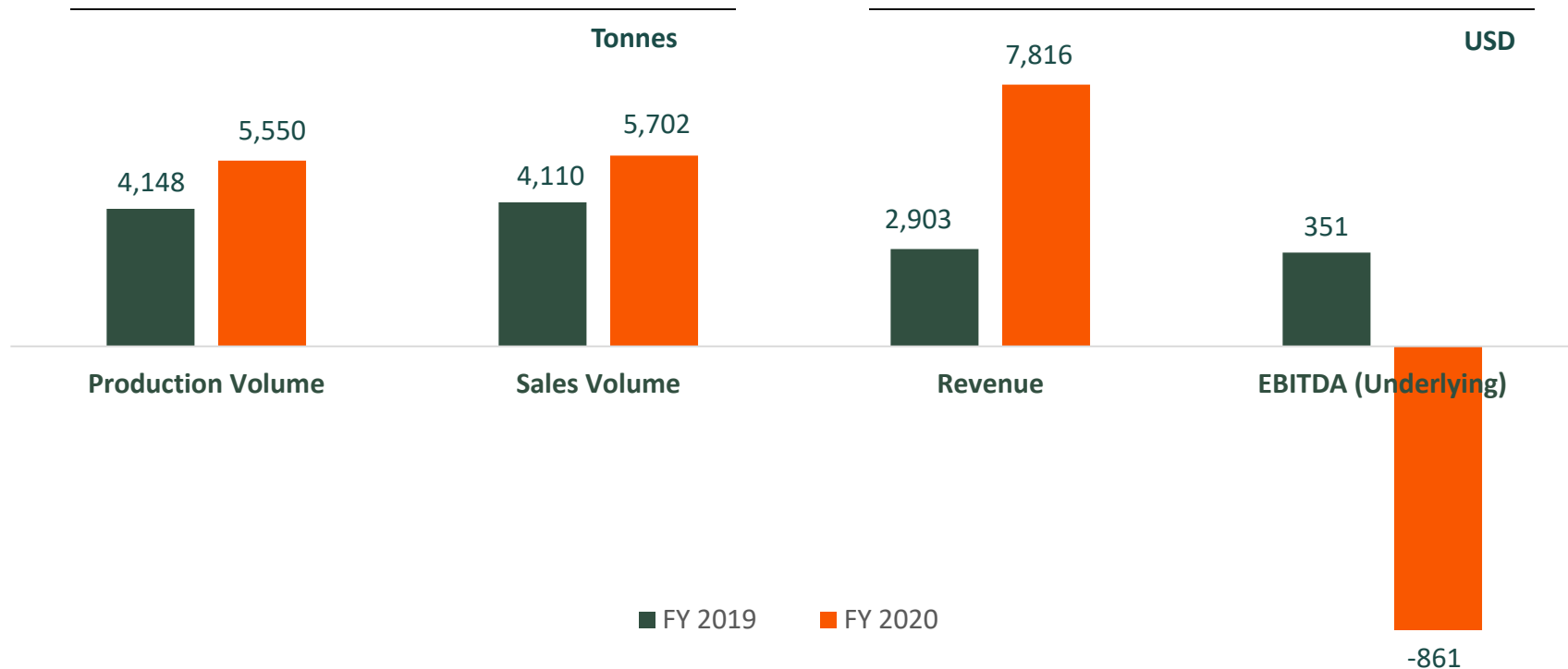
1. Excluding depreciations and amortisations

2. non-recurring items are expenses that do not fall within the normal courses of business and/or are not costs that occur every year

Strong Top Line Growth, with Tight Cost Control

FY 2019 (12 months), FY 2020 (12 months)

FY 2019 (≈5 months), FY 2020 (12 months)



■ FY 2019 ■ FY 2020

- Production volume increase as a result of increase capacity
- Strong productivity increase
- Sales volume increase resulting from increased demand, mainly from China
- Revenue increased by 169% due to reduced accounting period in FY2019, an increased annualized sales volume, partly compensated by lower obtained prices
- Limited negative operating cash flow is the result of tight control on general and administrative expenses

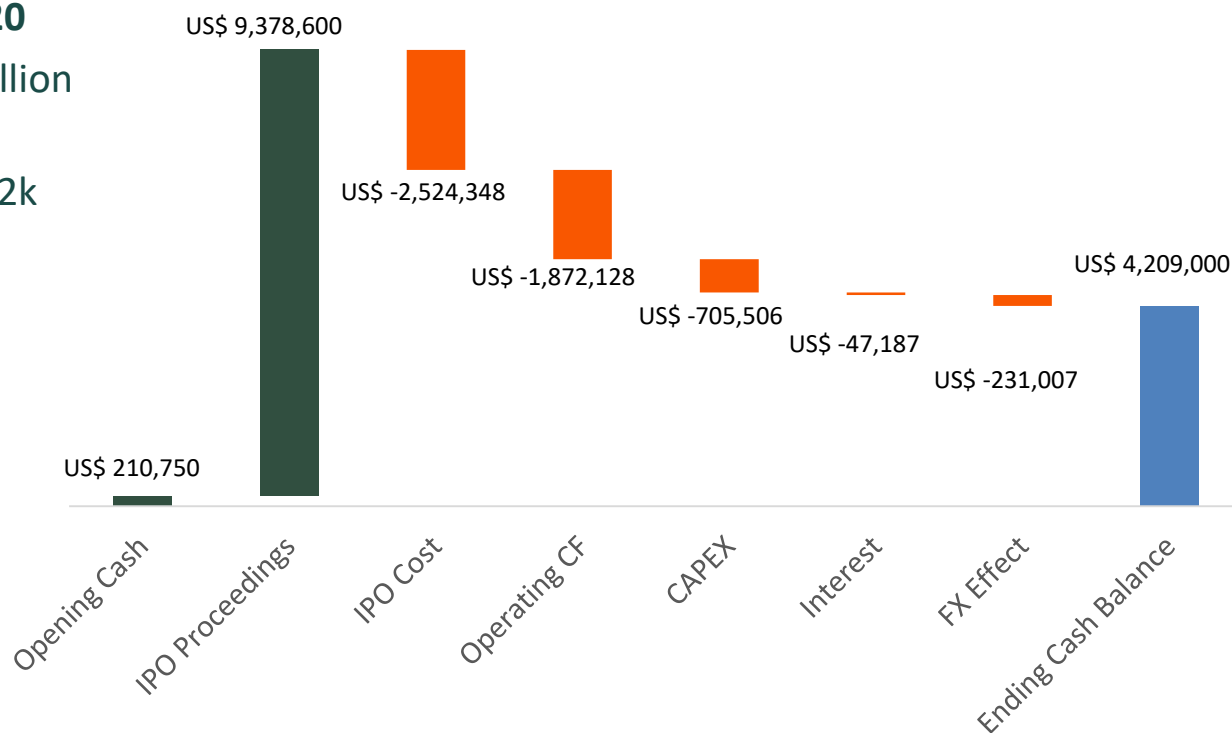
Cash Flow Analysis

Pyx reported US\$4.209 million of cash flow in FY2020 with IPO proceedings the main cash flow component

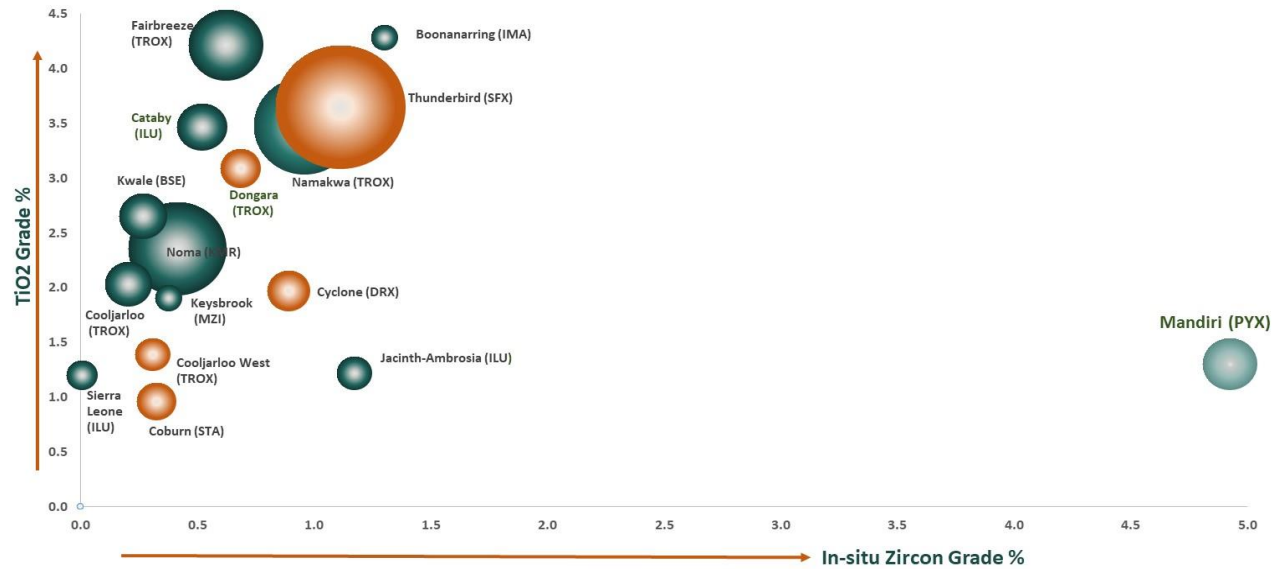
Cash flow movements

Key cash flow drivers in FY 2020

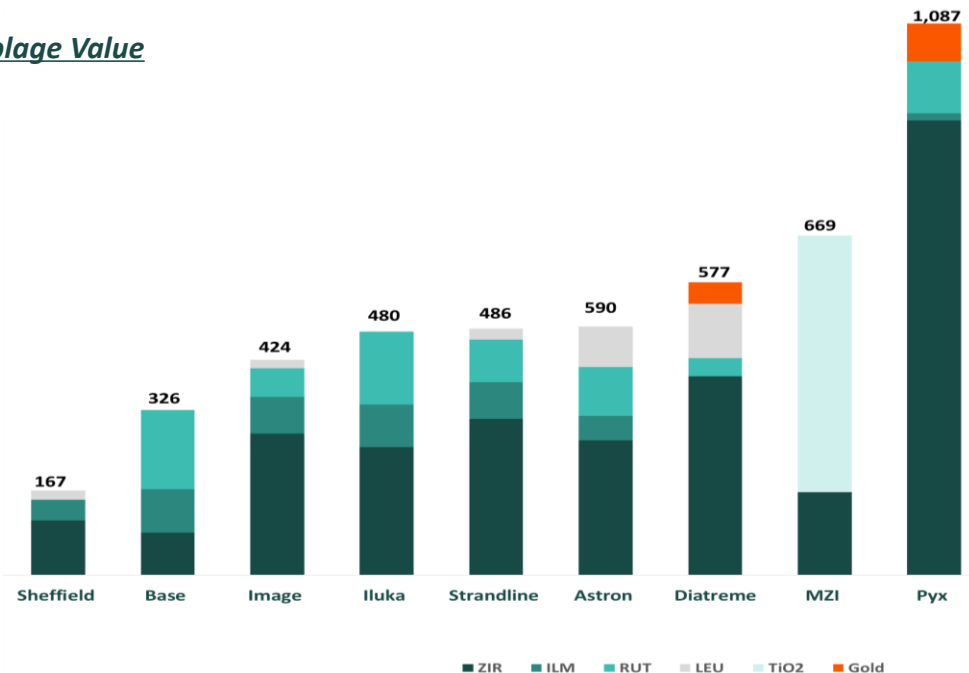
- IPO Proceedings of US\$6.9 million (net of fees of US\$2.5 million)
- Operating cash flow -US\$1,872k (2019: -US\$268k)
- Capital expenditure US\$705k, reflecting a year of significant capacity increase



Pyx is a Clear Outlier in Terms of Zircon Grade



Assemblage Value US\$



Valuation Benchmarks against Listed Peers

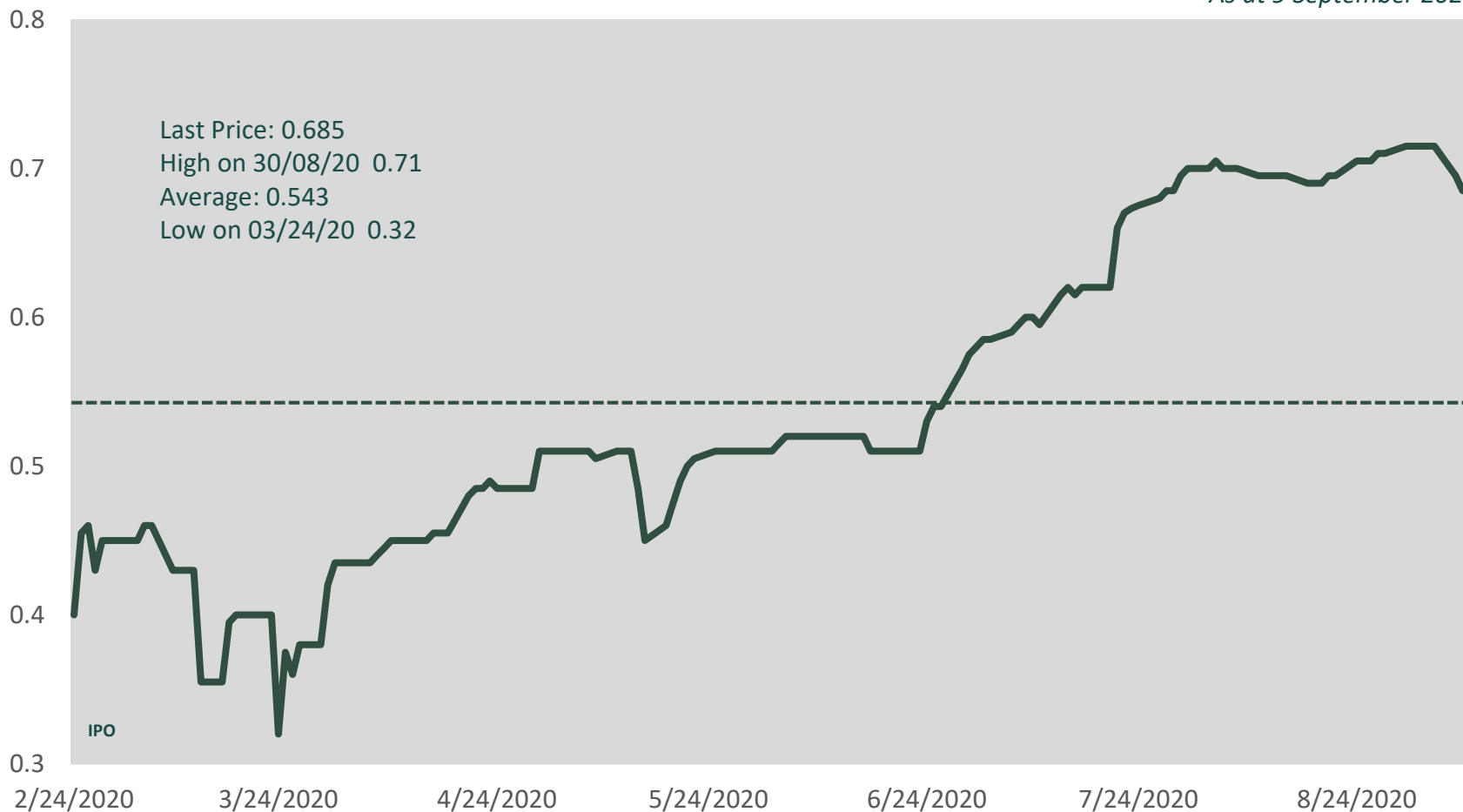
As at 9 September 2020

	Share Price	Market Cap	EV	Resources (in situ THM)	Weighted Avg Assemblage Value	EV/Resources
	A\$	US\$ m	US\$ m	Mt	US\$	US\$/t
Iluka Sierra Rutile 2019*	N/A	N/A	600.0	8.0	1,200	75.0
Iluka Sierra Rutile 2016*	N/A	N/A	336.8	8.2	1,200	41.1
Pyx Resources Limited	0.685	132.1	127.9	9.4	1,087	13.6
Astron Corporation	0.21	18.5	22.7	182.8	490	0.1
Strandline Resources	0.22	82.8	78.9	20.2	486	3.9
Iluka Resources	9.78	3,020.4	2,988.0	176.0	480	17.0
Image Resources	0.19	148.1	152.9	3.5	424	43.7
Base Resources	0.3	254.4	167.0	72.0	326	2.3
Sheffield Resources	0.29	74.8	68.4	310.0	167	0.2

Source: Public Filings, Cedrus Research

Share Performance post IPO has Been Very Strong

As at 9 September 2020



Note: PYX commenced trading on the National Stock Exchange of Australia (NSX) on 25 February 2020.

Additional Upside Potential in the Mid Term



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Q & A

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