

**APPENDIX 3 – HALF YEAR REPORT**  
**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

	Half Year Ended 30 June 2021 US\$	Half Year Ended 30 June 2020 US\$	Movement US\$	Movement %
<b>Income Statement</b>				
Revenue from ordinary activities	4,660,223	3,861,269	798,954	20.69%
Net loss from ordinary activities after tax attributable to members	(1,194,190)	(10,588,668)	9,394,478	(88.72%)
Total comprehensive loss for the period attributable to members	(1,134,608)	(10,554,521)	9,419,913	(89.25%)

During the 30 June 2020 half year, the Company completed its reverse takeover of Takmur Pte Ltd and its listing on the NSX. The loss for the half year ended 30 June 2020 includes one-off costs associated with the reverse takeover transaction of US\$5,356,997 and listing costs of US\$1,795,520, as well as initial share-based payments totalling US\$2,519,930.

The information, contained in this Appendix 3, prepared for the purposes of meeting the Company's periodic disclosure requirements on the National Stock Exchange of Australia, should be read in conjunction with the 30 June 2021 Interim Financial Report and 31 December 2020 Annual Report available on the Company's website [www.pyxresources.com](http://www.pyxresources.com).

**DIVIDENDS:**

No dividends were paid or declared for payment during the half year period under review.

**DIVIDEND REINVESTMENT PLAN:**

The Company does not operate a dividend reinvestment plan.

**EARNINGS PER SHARE:**

	Half Year ended 30 June 2021	Half Year Ended 30 June 2020
Basic loss per share (US\$ cents per share)	(0.20)	(9.18)
Diluted loss per share (US\$ cents per share)	(0.19)	(8.05)

Basic loss per share is based on a weighted average number of shares on issue of 323,214,662 (30 June 2020: 111,372,926) ordinary shares. Diluted loss per share has been calculated including the dilutionary effect of the options and performance rights.

**NET TANGIBLE ASSET PER SHARE:**

	30 June 2021	30 June 2020
Net tangible asset per share (cents per share)	3.17	2.54

The number of shares on issue as at 30 June 2021 totalled 429,520,222 (30 June 2020: 267,777,037).

**ENTITIES ACQUIRED AND DISPOSED DURING THE PERIOD**

On 15 February 2021, PYX Resources Limited acquired 100% of the issued capital of Tisma Development (HK) Limited, the owner of a world-class, fully licensed mineral sands deposit. Tisma Development (HK) Limited contributed US\$7,532 profit to the Group's consolidated loss from ordinary activities during the period. Tisma Development (HK) Limited reported loss after tax for the half-year ended 30 June 2020 of US\$27,385.

**AUDITOR'S REVIEW**

This report is based on accounts that have been subject to an Auditor's review. There are no items of dispute with the auditor and the review report is not subject to qualification.



**PYX RESOURCES LTD**

**ABN 30 073 099 171**

**INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED 30 JUNE 2021**

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## CORPORATE DIRECTORY

### Directors

Mr. Oliver B. Hasler

Mr. Alvin Tan

Mr. Bakhos Georges

Mr. Gary J Artmont

### Company Secretary

Ms. Louisa Martino

### Registered Office

Level 5, 56 Pitt Street

Sydney NSW 2000

Telephone: +612 8823 3132

Website: [www.pyxresources.com](http://www.pyxresources.com)

### Auditors

Hall Chadwick

Level 40, 2 Park Street

Sydney NSW 2000

Australia

### Share Registry

Advanced Share Registry Pty Ltd 110 Stirling Highway

Nedlands, Western Australia, 6009 Telephone: +618 9389 8033

Facsimile: +618 9262 3723

### National Stock Exchange of Australia

Listing NSX Code-PYX

### Australian Company Number and Australian Business Number

ACN 073 099 171

ABN 30 073 099 171

## DIRECTORS' REPORT

Your directors present the Interim Financial Report of the Group for the half-year ended 30 June 2021.

### Directors

The names of directors who held office during or since the end of the half-year:

Oliver B. Hasler

Gary J Artmont

Bakhos Georges

Alvin Tan

### Review of Operations

The loss after income tax and other comprehensive income of the Group for the half-year ended 30 June 2021 was US\$1,134,608 (30 June 2020 loss: US\$10,554,521).

During the half-year, PYX sold 3,250 tonnes and produced 3,501 tonnes of premium zircon, resulting in a year-on-year production increase of 25%. Sales volume has shown a strong year-on-year growth of 14%, while maintaining a tight finished goods inventory. Customer demand continues to increase, showing particular interest in PYX's zircon due to its superior quality, making it ideal for producing fused zirconia. Fused zirconia is used for different high-end zirconium metal products including electric vehicle batteries, technical ceramics, electronics and specific parts for nuclear reactors.

When confronted with the COVID-19 crisis, the Company moved quickly, taking great care of the welfare of its staff, contractors, and the communities it works with to ensure early preventive measures were put in place. As a result of its actions, the Company can report that there have been no cases of COVID-19 at its operation or offices.

### Acquisition of Tisma Development (HK) Ltd.

In February 2021, the Company completed the acquisition of Tisma Development (HK) Ltd. (Tisma), a world-class mineral sands asset consisting of a concession area of 1,500 hectares located in Central Kalimantan Province, Indonesia (Tisma Project). The Company acquired the entire share capital of Tisma via the issue of 147,277,370 Shares in PYX.

The acquisition resulted in a change of scale in the Company's activities, an excellent strategic addition to the Company's resource base and a milestone in the consolidation of the Indonesian Mineral Sands mining business converting PYX into the 2nd largest zircon producing project in the world in terms of JORC compliant zircon resources. Tisma is fully licensed with an IUP-OP permit allowing the mining, production and export of zircon.

### Exploring the possibility of a Dual Listing on the Main Market of the London Stock Exchange

On May 25th PYX Resources announced that it is exploring a possible dual listing of the Company's ordinary shares on the Standard Segment of the Official List of the Financial Conduct Authority ("FCA") and to trading on the Main Market of the London Stock Exchange ("LSE") (the "LSE Listing").

The exploration of available listing options is driven by PYX's increased interest and demand from family offices and institutional investors in Europe. A potential LSE Listing would make it easier for our existing shareholders to participate in the growth of the Company and its business, as well as enhancing the Company's share liquidity.

PYX appointed VSA Capital Limited ("VSA"), a natural resource focused investment banking and broking firm as Financial Adviser and Broker in connection with the potential LSE Listing.

### Private Placement

During the half-year the Company raised US\$8,447,656 (before administrative, legal and placement fees) via a share placement to professional and sophisticated investors at US\$0.77516 per share with

**DIRECTORS' REPORT**

approximately 10.9 million new fully-paid ordinary shares to be issued ("Placement"). The Placement was successfully closed on Wednesday 23rd June 2021 and the shares rank equally with the Company's existing shares on issue.

**Offtake Agreements**

In March 2021, the Company announced that it had entered into a 3,600 tonnes two-year binding Offtake Agreement with India-incorporated Microtech Zircon, a member of Delta Tiles, a group of companies which fall under the brand name Geo Gres.

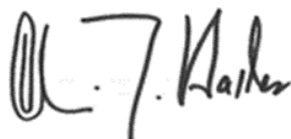
**Price Increases**

The Company also implemented three price increases for PYX's premium zircon during the half-year, resulting in a US\$355 per tonne increase during 2021 to date. The price increases reflect the general lack of premium zircon supply globally due to continued supply issues in South Africa and low inventory levels in China, while reduced Australian sales of Heavy Mineral Concentrate (HMC) to China have created a further void of premium zircon in the market, leading to higher customer demand and, consequently, higher market prices. Indonesian zircon prices have now reached their highest price point since 2013

**Auditor's Independence Declaration**

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 7 for the half-year ended 30 June 2021.

This directors' report is signed in accordance with a resolution of the Board of Directors.



.....  
Oliver Hasler  
Chairman and Chief Executive Officer

Hong Kong  
Dated : 1 September 2021

**PYX RESOURCES LIMITED  
ABN 30 073 099 171  
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF PYX RESOURCE LIMITED**

**SYDNEY**  
Level 40  
2 Park Street  
Sydney NSW 2000  
Australia  
Ph: (612) 9263 2600  
Ex: (612) 9263 2800

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of PYX Resources Limited. As the lead audit partner for the review of the financial report of PYX Resources Limited for the half year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

*Hall Chadwick*

HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000

*Drew Townsend*

**DREW TOWNSEND**

Partner

Dated: 1 September 2021

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

		<b>Consolidated Group</b>	
	<b>Note</b>	<b>Half-year Ended 30 June 2021</b>	<b>Half-year Ended 30 June 2020</b>
		<b>US\$</b>	<b>US\$</b>
Revenue	2	4,660,223	3,861,269
Other income	2	-	22,995
Cost of sales	3	(4,059,354)	(3,125,159)
Selling and distribution expenses		(354,684)	(12,100)
Corporate and administrative expenses		(1,488,908)	(4,022,190)
Foreign exchange loss		(15,781)	(227,597)
Listing costs		(206)	(1,795,520)
Acquisition costs		-	(5,356,997)
Finance costs		(5,861)	(18,468)
Other expenses		(88,259)	-
<b>Loss before income tax</b>		<b>(1,352,830)</b>	<b>(10,673,767)</b>
Income tax benefit		158,640	85,099
<b>Net loss for the period</b>		<b>(1,194,190)</b>	<b>(10,588,668)</b>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met</b>			
Exchange differences on translating foreign operations, net of tax		59,582	34,147
<b>Total comprehensive income for the period</b>		<b>(1,134,608)</b>	<b>(10,554,521)</b>
Net loss attributable to:			
- owners of the Parent Entity		(637,735)	(10,218,963)
- non-controlling interest		(556,455)	(369,705)
		<b>(1,194,190)</b>	<b>(10,588,668)</b>
Total comprehensive income attributable to:			
- owners of the Parent Entity		13,791	(7,803)
- non-controlling interest		45,791	41,950
		<b>59,582</b>	<b>34,147</b>
<b>Loss per share</b>			
Basic loss per share (US\$ cents per share)		(0.20)	(9.18)
Diluted loss per share (US\$ cents per share)		(0.19)	(8.05)

The accompanying notes form part of these financial statements.



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	Note	Consolidated Group	
		As at 30 June 2021 US\$	As at 31 December 2020 US\$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents		9,717,641	3,509,395
Trade and other receivables		410,526	368,627
Advance to suppliers		429,558	352,062
Prepayments and deposits		31,082	41,100
Prepaid tax		100,324	36,216
Inventories		394,112	122,703
TOTAL CURRENT ASSETS		11,083,243	4,430,103
NON-CURRENT ASSETS			
Right of use assets		40,008	60,361
Property, plant and equipment	9	1,823,863	1,317,834
Deferred tax assets		415,514	265,597
Deferred expenses		265,844	-
Intangible assets	10	73,343,464	92,309
TOTAL NON-CURRENT ASSETS		75,888,693	1,736,101
TOTAL ASSETS		86,971,936	6,166,204
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables		2,255,041	1,626,802
Lease liabilities		7,138	1,780
TOTAL CURRENT LIABILITIES		2,262,179	1,628,582
NON-CURRENT LIABILITIES			
Lease liabilities		-	16,773
TOTAL NON-CURRENT LIABILITIES		-	16,773
TOTAL LIABILITIES		2,262,179	1,645,355
NET ASSETS		84,709,757	4,520,849

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	Consolidated Group	
		As at 30 June 2021 US\$	As at 31 December 2020 US\$
<b>EQUITY</b>			
Issued capital	6	96,651,080	14,873,158
Reserves	7	2,403,793	2,782,451
Accumulated losses		(13,514,783)	(12,877,048)
Equity attributable to owners of the Parent Entity		85,540,090	4,778,561
Non-controlling interest		(830,333)	(257,712)
<b>TOTAL EQUITY</b>		<b>84,709,757</b>	<b>4,520,849</b>

The accompanying notes form part of these financial statements.

PYX RESOURCES LTD AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

Consolidated Group	Note	Ordinary Share Capital US\$	Share- based payment reserve US\$	Accumulated losses US\$	Foreign currency translation reserve US\$	Subtotal US\$	Non- controlling Interests US\$	Total US\$
<b>Balance at 1 January 2020</b>		1,178	-	(101,606)	-	(100,428)	805,412	704,984
<b>Comprehensive income</b>								
Loss for the period		-	-	(10,218,963)	-	(10,218,963)	(369,705)	(10,588,668)
Other comprehensive income for the period		-	-	-	(7,803)	(7,803)	41,950	34,147
<b>Total comprehensive income for the period</b>		-	-	(10,218,963)	(7,803)	(10,226,766)	(327,755)	(10,554,521)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>								
Shares issued during the period		14,871,980	-	-	-	14,871,980	-	14,871,980
Share based payments		-	1,385,887	-	-	1,385,887	-	1,385,887
<b>Total transactions with owners and other transfers</b>		14,871,980	1,385,887	-	-	16,257,867	-	16,257,867
<b>Balance at 30 June 2020</b>		14,873,158	1,385,887	(10,320,569)	(7,803)	5,930,673	477,657	6,408,330
<b>Balance at 1 January 2021</b>		14,873,158	2,804,535	(12,877,048)	(22,084)	4,778,561	(257,712)	4,520,849
<b>Comprehensive income</b>								
Loss for the period		-	-	(637,735)	-	(637,735)	(556,455)	(1,194,190)
Other comprehensive income for the period		-	-	-	13,791	13,791	45,791	59,582
<b>Total comprehensive income for the period</b>		-	-	(637,735)	13,791	(623,944)	(510,664)	(1,134,608)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>								
Shares issued during the period		81,777,922	-	-	-	81,777,922	-	81,777,922
Non-controlling interests on acquisitions		-	-	-	-	-	(61,957)	(61,957)
Share based payments		-	566,725	-	-	566,725	-	566,725
Issue of shares to employees		-	(959,174)	-	-	(959,174)	-	(959,174)
<b>Total transactions with owners and other transfers</b>		81,777,922	(392,449)	-	-	81,385,473	(61,957)	81,323,516
<b>Balance at 30 June 2021</b>		96,651,080	2,412,086	(13,514,783)	(8,293)	85,540,090	(830,333)	84,709,757

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

	<b>Consolidated Group</b>	
	<b>Half-year Ended 30 June 2021</b>	<b>Half-year Ended 30 June 2020</b>
	<b>US\$</b>	<b>US\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	4,614,853	3,720,535
Payments to suppliers and employees	(5,205,032)	(5,160,884)
Other income	(88,259)	22,995
Interest received	96	135
Finance costs	(5,957)	(18,603)
Income tax paid	(55,141)	(60,067)
Net cash (used in)/generated by operating activities	<u>(739,440)</u>	<u>(1,495,889)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(568,914)	(565,492)
Payments for acquisitions costs, net of cash acquired	(24,275)	311
Net cash (used in)/generated by investing activities	<u>(593,189)</u>	<u>(565,181)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from shares issues	8,327,092	9,378,600
Proceeds from borrowings	-	2,732
Repayment of borrowings	-	(431,899)
Advances of employee loans	(6,376)	(652)
Repayment of lease liabilities	(11,415)	(16,849)
Payment of capital raising costs	(769,914)	(2,524,348)
Net cash (used in)/generated by financing activities	<u>7,539,387</u>	<u>6,407,584</u>
Net increase/(decrease) in cash held	6,206,758	4,346,514
Cash and cash equivalents at beginning of period	3,509,395	93,071
Effect of foreign exchange rate changes	1,488	(230,411)
Cash and cash equivalents at end of period	<u>9,717,641</u>	<u>4,209,174</u>

The accompanying notes form part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of Preparation**

These general purpose interim financial statements for half-year reporting period ended 30 June 2021 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Pyx resources Limited and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2020, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 1 September 2021.

**b. Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

**NOTE 2: REVENUE AND OTHER INCOME**

The Group has recognised the following amounts relating to revenue in the statement of profit or loss.

		<b>Half-year Ended 30 June 2021</b>	<b>Half-year Ended 30 June 2020</b>
	<b>Note</b>	<b>US\$</b>	<b>US\$</b>
Revenue from contracts with customers	2a	4,660,223	3,861,269
Other income	2b	-	22,995

**a. Revenue from contracts with customers**

Revenue from contracts with customers represents the amounts received and receivable for production and distribution of premium Zircon.

		<b>Half-year Ended 30 June 2021</b>	<b>Half-year Ended 30 June 2020</b>
		<b>US\$</b>	<b>US\$</b>
<b>b. Other income</b>			
Other income		-	22,995

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

**NOTE 3: LOSS FOR THE PERIOD**

	<b>Consolidated Group</b>	
	<b>Half-year Ended 30 June 2021</b>	<b>Half-year Ended 30 June 2020</b>
	<b>US\$</b>	<b>US\$</b>
Loss before income tax from continuing operations includes the following specific expenses:		
<b>Expenses</b>		
Cost of sales	4,059,354	3,125,159
Interest expense on financial liabilities not classified as at fair value through profit or loss:		
– unrelated parties	4,676	14,029
Finance charges	1,281	4,574
Less: Interest income	(96)	(135)
Net interest expense	5,861	18,468
Employee benefits expense:		
– Staff salaries and benefits	163,686	256,767
– Share based payments	566,725	2,519,930
Loss allowance on financial assets and other items:		
– loss allowance on trade receivables		
Rental expense on operating leases		
short- term lease expense	2,421	5,512
Depreciation	92,137	49,400

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

**NOTE 4: BUSINESS ACQUISITION**

On 16 February 2021, the Group acquired 100% of the issued capital of Tisma Development (HK) Limited (the company). The Tisma tenement has 137 million tonnes of JORC-complaint inferred resources, including 4% heavy minerals, and contains approximately 4.5 million tonnes of zircon. It also contains valuable by-products, including titanium minerals (rutile and ilmenite), for a purchase consideration of US\$73,141,005.

This acquisition is an excellent strategic addition to PYX's resource base and a milestone in the consolidation of the Indonesian mineral sands mining business, converting PYX into the second largest producing mineral sands company globally in terms of JORC-compliant zircon resources.

Through acquiring 100% of the issued capital of Tisma Development (HK) Limited, the Group has obtained control of the company.

The purchase was satisfied by the issue of 147,277,370 ordinary shares at an issue price of US\$0.49662 each. The issue price was based on the market price on the date of purchase.

	<b>Fair Value</b>
	<b>US\$</b>
Purchase consideration:	
Equity issued	73,141,005
<b>Less:</b>	
Cash and cash equivalent	3,407
Intangible asset - exploration asset	73,260,053
Non-controlling interest	61,957
Payables	(184,412)
<b>Identifiable assets acquired and liabilities assumed</b>	<b>73,141,005</b>
<b>Goodwill</b>	<b>-</b>

The impact of the acquisition on the results and cash flow of the Group for the period is insignificant.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

**NOTE 5: CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last reporting period.

**NOTE 6: ISSUED CAPITAL**

	<b>Consolidated Group</b>	
	<b>Half-year Ended</b>	<b>Year Ended</b>
	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>US\$</b>	<b>US\$</b>
429,520,222 (2020: 267,777,037) fully paid ordinary shares	96,651,080	14,873,158
	96,651,080	14,873,158

	<b>Consolidated Group</b>			
	<b>2021</b>		<b>2020</b>	
	No. of shares	Contributed equity US\$	No. of Shares	Contributed equity US\$
<b>a. Ordinary Shares</b>				
At the beginning of the reporting period	267,777,037	14,873,158	2,500	1,178
Elimination of Takmur Pte Ltd.	-	-	(2,500)	-
Movement :				
Year 2020	-	-	267,777,037	14,871,980
15 February 2021	147,277,370	73,141,005	-	-
25 March 2021	1,627,477	437,531	-	-
9 April 2021	1,940,350	521,645	-	-
23 June 2021	10,897,988	8,447,656	-	-
Share issue costs	-	(769,915)	-	-
At the end of the reporting period	429,520,222	96,651,080	267,777,037	14,873,158



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

On 15 February 2021, the Company completed acquisition of Tisma Development (HK) Limited. Essentially the business of Tisma and its controlled entities is the main undertaking of the Group going forward. As part of the acquisition of Tisma, the Company issued 147,277,370 shares to the vendors of Tisma;

On 25 March 2021, 1,627,477 shares were issued on conversion of 2,257,127 Performance Rights to Shares on achievement of milestones.

On 9 April 2021, 1,940,350 shares were issued on conversion of 1,940,350 Performance Rights to Shares on achievement of milestones.

On 23 June 2021, the Company completed a successful capital raise of US\$8,447,656 million, with 10,897,988 shares issued at US\$0.77516 per share;

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise, each shareholder has one vote on a show of hands.

**b. Capital Management**

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, redeemable preference shares, convertible preference shares and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	<b>Consolidated Group</b>	
	<b>Half-year Ended</b>	<b>Year Ended</b>
	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>US\$</b>	<b>US\$</b>
Total borrowings	7,138	18,553
Less cash and cash equivalents	9,717,641	3,509,395
Net cash/(debt)	9,710,503	3,490,842
Total equity	84,709,757	4,520,849
Total capital	84,709,757	4,520,849
Gearing ratio	0.0084%	0.4104%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

**NOTE 7: RESERVES**

a. **Share-based Payment Reserve**

The share-based payment reserve records items recognized as expenses on valuation of share-based payments

b. **Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on translation of the foreign controlled subsidiaries.

c. **Analysis of Reserves**

	<b>Consolidated Group</b>	
	<b>Half-year Ended</b>	<b>Year Ended</b>
	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>US\$</b>	<b>US\$</b>
<b>Share-Based Payment Reserve</b>		
At the beginning of the reporting period	2,804,535	-
Share-based payments	566,725	3,938,578
Issue of shares to director	(959,174)	(1,134,043)
Closing balance in share-based payment reserve	2,412,086	2,804,535
<b>Foreign Currency Translation Reserve</b>		
At the beginning of the reporting period	(22,084)	-
Exchange differences on translation of foreign operations	13,791	(22,084)
Closing balance in foreign currency translation reserve	(8,293)	(22,084)
<b>Total</b>	2,403,793	2,782,451

**NOTE 8: SHARE-BASED PAYMENT PLANS**

**Performance Rights**

The following performance rights were granted to Director and staff during the period.

<u>Number</u>	<u>Grant date</u>	<u>Expiry date</u>	<u>Share price at grant date</u>
3,200,000	18/05/2021	30/06/2023	A\$1.19
3,200,000	18/05/2021	30/06/2023	A\$1.19
80,000	15/03/2021	30/09/2023	A\$0.97

During the half year, 4,197,477 performance rights were exercised and converted into 3,567,827 shares.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

**NOTE 9: PROPERTY, PLANT, AND EQUIPMENT**

	<b>Consolidated Group</b>	
	<b>Half-year Ended</b>	<b>Year Ended</b>
	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>US\$</b>	<b>US\$</b>
<b>Land and Buildings</b>		
Freehold land at cost	194,542	194,542
Total land	<u>194,542</u>	<u>194,542</u>
Buildings at cost	1,309,614	802,470
Accumulated depreciation	(156,058)	(139,161)
Total buildings	<u>1,153,556</u>	<u>663,309</u>
Total land and buildings	<u>1,348,098</u>	<u>857,851</u>
<b>Plant and Equipment</b>		
Plant and equipment at cost	557,945	520,385
Accumulated depreciation	(144,910)	(106,687)
Total plant and equipment	<u>413,035</u>	<u>413,698</u>
<b>Motor Vehicles</b>		
Motor vehicles at cost	47,105	22,894
Accumulated depreciation	(9,203)	(3,186)
Total motor vehicles	<u>37,902</u>	<u>19,078</u>
<b>Furniture and Fittings</b>		
Furniture and fittings at cost	30,668	30,668
Accumulated depreciation	(5,840)	(3,461)
Total furniture and fittings	<u>24,828</u>	<u>27,207</u>
<b>Total property, plant and equipment</b>	<b><u>1,823,863</u></b>	<b><u>1,317,834</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

**NOTE 10: INTANGIBLE ASSETS**

	Consolidated Group	
	Half-year Ended	Year Ended
	30 June 2021	31 December 2020
	US\$	US\$
Goodwill:		
Cost	7,774	7,774
Accumulated impairment losses	-	-
Net carrying amount	7,774	7,774
 Mining License Renewal:		
Cost	88,984	88,984
Accumulated amortization	(13,347)	(4,449)
Net carrying amount	75,637	84,535
 Exploration asset		
Cost	73,260,053	-
Accumulated amortization	-	-
Net carrying amount	73,260,053	-
Total intangible assets	73,343,464	92,309

	Goodwill	Mining License	Exploration asset	Total
	US\$	US\$	US\$	US\$
<b>Consolidated Group:</b>				
<b>Half-year ended 30 June 2021</b>				
Balance at the beginning of the year	7,774	84,535	-	92,309
Addition	-	-	73,260,053	73,260,053
Amortisation	-	(8,898)	-	(8,898)
Closing value at 30 June 2021	7,774	75,637	73,260,053	73,343,464

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

**NOTE 11: INTERESTS IN SUBSIDIARIES**

Name of Entity	Equity Interest		Proportion of Non-Controlling Interest		Contribution to Net Profit/(Loss) before taxation	
	2021 %	2020 %	2021 %	2020 %	2021 US\$	2020 US\$
Takmur Pte Ltd.	100	100	-	-	(22,250)	(21,652)
PT Andary Usaha Makmur	99	99	1	1	(94,016)	(3,385)
PT Investasi Mandiri*	-	-	100	100	(692,421)	(454,651)
Tisma Development (HK) Ltd.	100	-	-	-	4,392	-
PT Tisma Investasi Abadi	99	-	1	-	(524)	-
PT Tisma Global Nusantara**	-	-	100	-	3,664	-

\* This entity is accounted for as a controlled entity on the basis that control was obtained through the execution of an exclusive operations and management agreement between PT Andary Usaha Makmur and PT Investasi Mandiri and was for nil purchase consideration.

\*\* This entity is accounted for as a controlled entity on the basis that control was obtained through the execution of an exclusive operations and management agreement between PT Tisma Investasi Abadi and PT Tisma Global Nusantara and was for nil purchase consideration.

The non-controlling interests in PT Andary Usaha Makmur and PT Tisma Global Nusantara are not material to the Group.

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

**NOTE 12: EVENTS AFTER THE REPORTING PERIOD**

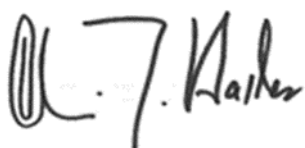
Other than the following, the directors are not aware of any significant events since the end of the interim period.

1. The Group are working on a possible dual listing of the Company's ordinary shares on the Standard Segment of the Official List of the Financial Conduct Authority ("FCA") and to trade on the Main Market of the London Stock Exchange ("LSE") (the "LSE Listing").
2. The exploration of available listing options is driven by PYX's increased interest and demand from family offices and institutional investors in Europe. A potential LSE Listing would make it easier for existing shareholders to participate in the growth of the Company and its business, as well as enhancing the Company's share liquidity.
3. PYX, has appointed VSA Capital Limited ("VSA"), a natural resource focused investment banking and broking firm as Financial Adviser and Broker in connection with the potential LSE Listing.

**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Pyx resources Limited, the directors of the Entity declare that:

1. The financial statements and notes, as set out on pages 8 to 23, are in accordance with the *Corporations Act 2001*, including:
  - a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
  - b. giving a true and fair view of the Consolidated Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.



Oliver B. Hasler  
Chairman and Chief Executive Officer

Hong Kong

Date: 1 September 2021

PYX RESOURCES LIMITED  
ABN 30 073 099 171  
AND CONTROLLED ENTITIES

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia  
Ph: (612) 9263 2600  
Fx: (612) 9263 2800

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
PYX RESOURCES LIMITED**

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of PYX Resources Limited does not comply with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of PYX Resources Limited 's financial position as of 30 June 2021 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

*We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.*

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of PYX Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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Accounting Firms




PYX RESOURCES LIMITED  
ABN 30 073 099 171  
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
PYX RESOURCES LIMITED

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000



**Drew Townsend**  
Partner  
Dated: 1 September 2021