

A background image showing a close-up of a zircon processing facility. It features several large piles of zircon sand in different colors: dark grey, light tan, and reddish-brown. The sand is being processed, with some areas showing a fine, granular texture and others showing a more clumpy, fibrous appearance. The image is partially obscured by a large, light grey geometric shape that overlaps the logo and the text.

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

2021 Full Year Results

March 18th, 2022

Disclaimer



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Compliance Statement

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 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.

The Tisma mineral sands deposit hosts a 4.5 Mt Inferred JORC Resource of zircon. The Company originally announced this resource in its Announcement “PYX Resources Limited Agrees to Acquire Tisma Development (HK) Limited, a World-Class, Fully Licensed Mineral Sands Deposit” on NSX on 13 January 2021 and confirms that it is not aware of any new information or data that materially affects the information included in the Announcement. All material assumptions and technical parameters disclosed in the Announcement that underpin the estimates continue to apply and have not materially changed.

Together the Mandiri and Tisma mineral sand deposits total 10.5 Mt of contained zircon within a total of 263.5 Mt of heavy mineral sands.

Oliver B. Hasler
Chairman and CEO



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FY 2021 Highlights

Acquired a 2nd deposit converting PYX into the world's 2nd largest producing mineral sands company based on zircon inferred resources

Since 15 November 2021 dual listed on the National Stock Exchange of Australia and Main Market of the LSE

Remarkable zircon prices increase of 87% during the FY2021, with significant supply shortage to be addressed

Mandiri operation's production capacity expanded to 24,000 tpa

Premium zircon revenues increased by 39% resulting in US\$12.4 million, with sales volumes increasing to 6,855 tonnes, an annual sales volume growth of 2% yoy, despite severe challenges in addition to COVID-19

10% production increase achieving 7,233 tonnes with premium zircon inventories ending at 18 days

Underlying EBITDA for the period was a negative US\$794 k compared to a negative US\$1,213 k the year before

Net loss for the year was US\$4.3 million compared to US\$13.8 million for 2020

Limited negative operating cash flow as a result of tight control on general and administrative expenses

Debt free, with a closing net cash position of US\$6.6 million up 89% YoY

PYX Cares Program: PYX Commitment to Sustainability

Sustainability



“PYX Cares” was established as PYX’s blueprint for making meaningful and environmentally sustainable contributions to the communities in which the company operates. The “PYX Cares” initiative was inspired by the United Nations Development Program’s Sustainable Development Goals (SDGs). PYX is dedicated in using our platform as a force for positive change.

- **Employees**
Prioritise the health, wellbeing and safety of all of its employees and contractors
- **Stakeholders**
Engage its stakeholders at multiple levels of the company as a critical part of its UNSDGs
- **Community**
PYX collaborated with Indonesia’s National Blood Donor Program and give back to their community.
- **Environment**
prioritises making conscious efforts to sustainably maintain the biodiversity within the land in which it operates.



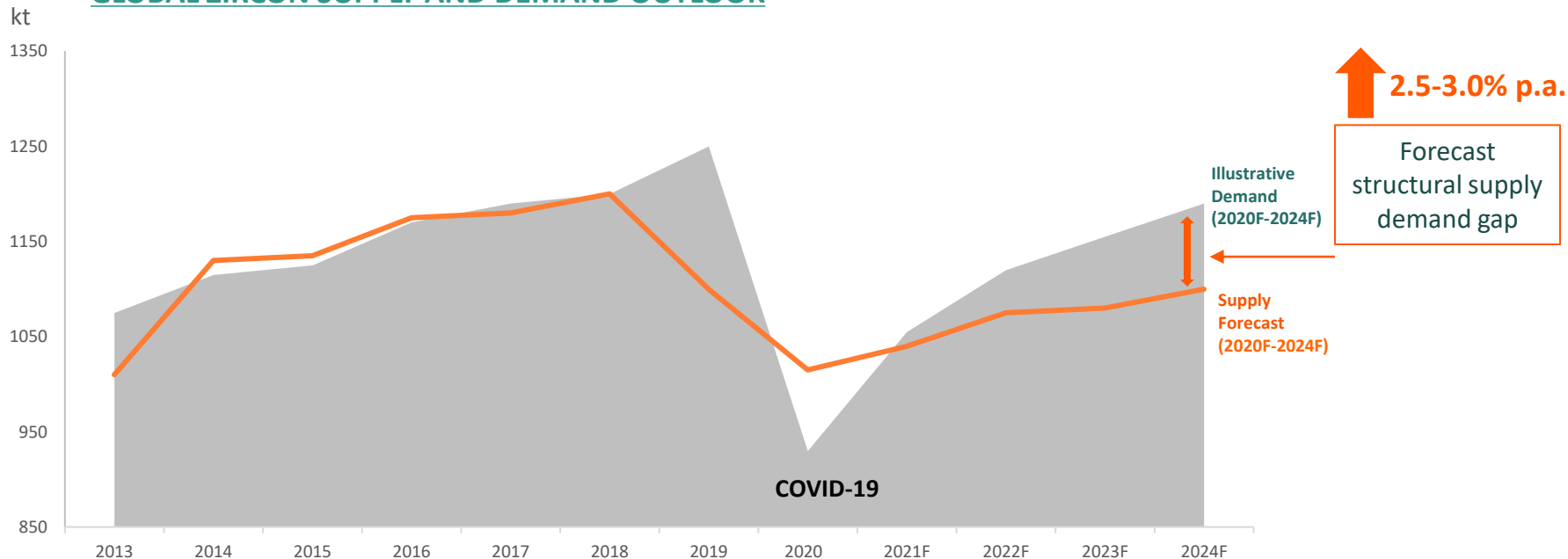
SUSTAINABLE DEVELOPMENT GOALS



A holistic sustainability program, PYX Cares has adopted 17 goals in the Central Kalimantan surroundings of our operations, from empowering local **communities** and protecting the **environment**, to promoting diversity, to making sure our **employees** and the people of Kalimantan fully participate in our long-term success, and delivering sustainable value to all our **stakeholders**.

Zircon Demand Substantially Outstrips Supply

GLOBAL ZIRCON SUPPLY AND DEMAND OUTLOOK

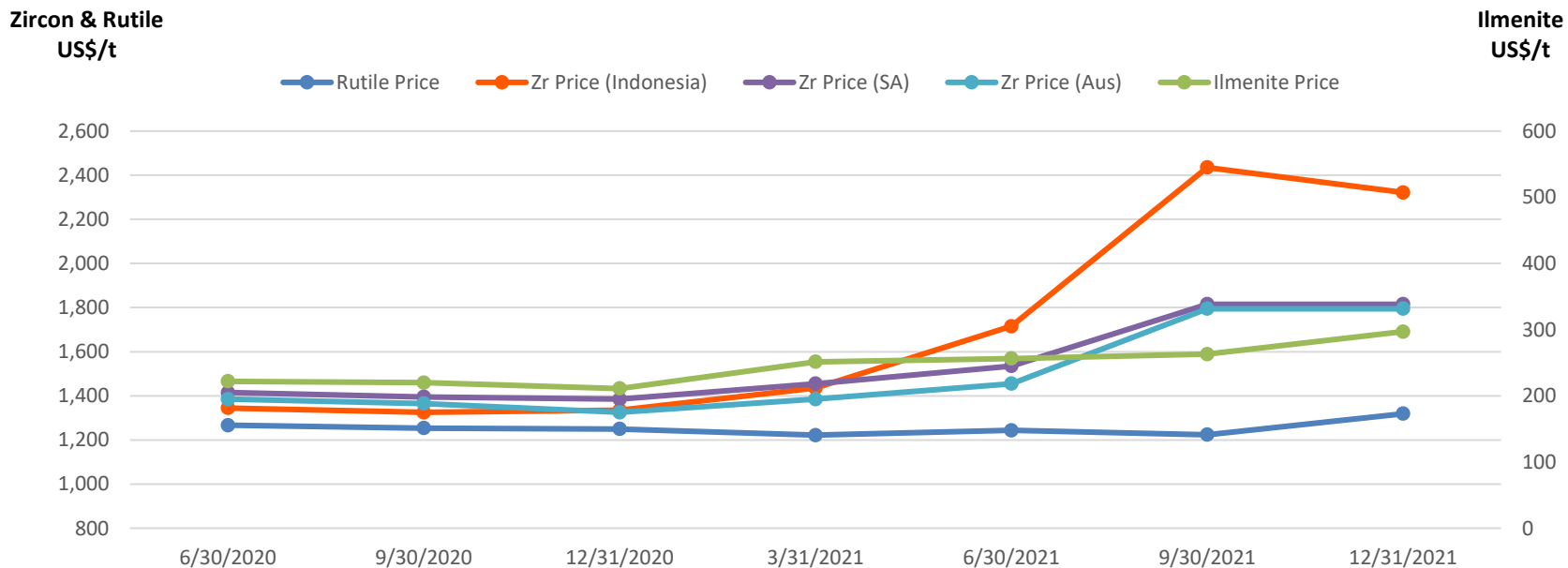


Note: Illustrative demand and supply forecast (2020-24) are indicative only. Supply data assume no new project going into production stage
Source: ILUKA, TZMI, Sheffield Resources

- Post COVID-19 pandemic, a substantial supply gap has emerged, which is likely to support a robust zircon price environment in the long term
- Zircon prices have risen strongly over the year, in combination with a major commodity price upcycle during the post COVID 19 recovery phase

Base Minerals Prices Are Experiencing Major Increases

MINERAL SANDS PRICE VARIATION



Source: Asian Metal, Bloomberg

- Price movements of different mineral sands performed differently in the past 18 months from Jul 2020 to Dec 2021
- Rutile experienced price retreats not long after initial spike
- Zircon prices continue to increase at a much larger incremental size
- Indonesia Zircon price performed exceptionally well in the last 12 months

Mid Term Zircon Market Dynamics Remain Very Strong

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

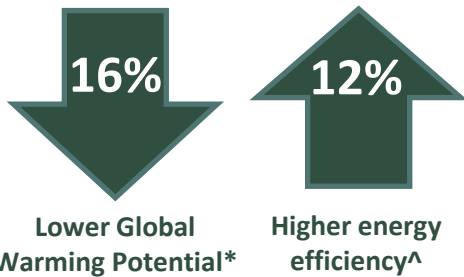
Zero Carbon Transition to Increase Zircon Demand by 56-88%

Zircon

plays a crucial role in supporting industrial re-alignment toward **Zero Carbon Transition**.

Australia has included zirconium as a critical mineral to achieve low carbon economies⁺.

PYX included a sustainability goal in its PYX Cares Program to ensure adoption of affordable, reliable, and sustainable energy sources



Source: ZIA, Praxair Technology

Note: * compared to alumina

[^] solar cells with zirconium-doped electrodes and thermal barrier coating using Zircon

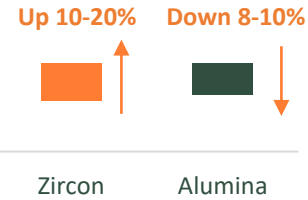
⁺ Geoscience Australia and Mineral Commodity Summaries 2021

[#] Marrakech Partnership for Global Climate Action: Pathways to Zero Carbon



Source: TZMI

Replacing alumina with Zircon for **casting and refractory** significantly reduces energy waste

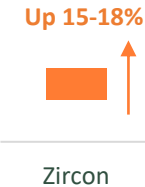


Industry Pathway[#]



Source: Global Fuel Cell Market (2021-2026), Mordor Intelligence

Zirconia is widely used as the electrolyser material for **hydrogen fuel cell and solid oxide fuel cells**, a key renewable energy source

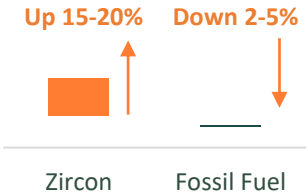


Decarbonised Power Pathway[#]

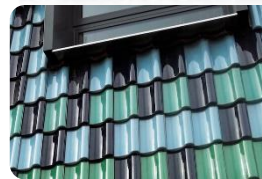


Source: International Atomic Energy Agency (IAEA)

Zirconium based alloys are used for **nuclear energy** (current capacity of 350GW expected to triple by 2050)



Alternative Sources Pathway[#]



Source: Study by ZIA and Centro Ceramico for ECerS conference, June 2019

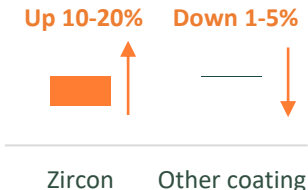
Zircon-containing ceramic roof and façade tiles increase solar reflection, reducing cooling demand and **minimising buildings' carbon footprint**



Human Settlement Pathway[#]



Car and aircraft manufacturers will use zircon to increase fuel efficiency, reduce the environmental impact



Transport Pathway[#]

Source: The Role of Thermal Barrier Coating in Maximizing Turbine Engine Efficiency and Lowering CO2 Emissions, June 2017, Praxair Technology. Note: All changes in zircon volume assume constant demand in end-use markets.

Summary of FY2021 Results

Financial Results

- Sales increased to US\$ 12,417k, an increase of 39% YoY
- Underlying Group EBITDA of (US\$794 k), a moderate loss

Cash Flow

- Closing net cash position of US\$6,624 k
- Net debt free

Operational Performance

- Sales volume growth of 2%
- Production volume growth of 10%
- MSP capacity increase from 18 →24kt/year

Stock Market

- Dual Listing on the Main Market of LSE on November 15th 2021
- Strong share price performance A\$0.695 to A\$1.625

Zircon Market

- 4 premium Zircon price increases during the year, with YoY growth of 87%
- Record demand and order book

Income Statement Analysis

- Significant impact in FY2021 financials related to non-recurring dual listing and fundraising expenses and non-cash acquisition losses
- Modestly negative operating cash flow is the result of tight control on general and administrative expenses during the dual listing preparation phase and following commencement of trading on LSE.

| | FY 2021 (USD) | FY 2020 (USD) |
|---|--------------------|---------------------|
| Sales Revenue | 12,417,086 | 8,956,694 |
| Cash cost of sales ¹ | (10,406,727) | (7,557,600) |
| Gross Profit | 2,010,359 | 1,399,094 |
| Other income | 1,089 | 110,576 |
| Selling and distribution expenses | (950,745) | (492,248) |
| Corporate and other expenses ¹ | (4,112,488) | (7,675,142) |
| Foreign exchange loss | (350,011) | (29,376) |
| Listing costs | (928,147) | - |
| Non-capitalized RTO | - | (1,889,237) |
| Acquisition loss | - | (5,356,997) |
| EBITDA | (4,329,943) | (13,933,330) |
| Depreciation and amortisation | (187,877) | (129,173) |
| Net financial expenses | (11,934) | (20,961) |
| Net loss before tax | (4,529,754) | (14,083,464) |
| Income tax benefit | 208,524 | 262,861 |
| Net loss after tax | (4,321,230) | (13,820,603) |
| Other comprehensive income/(expense) | 18,634 | (40,046) |

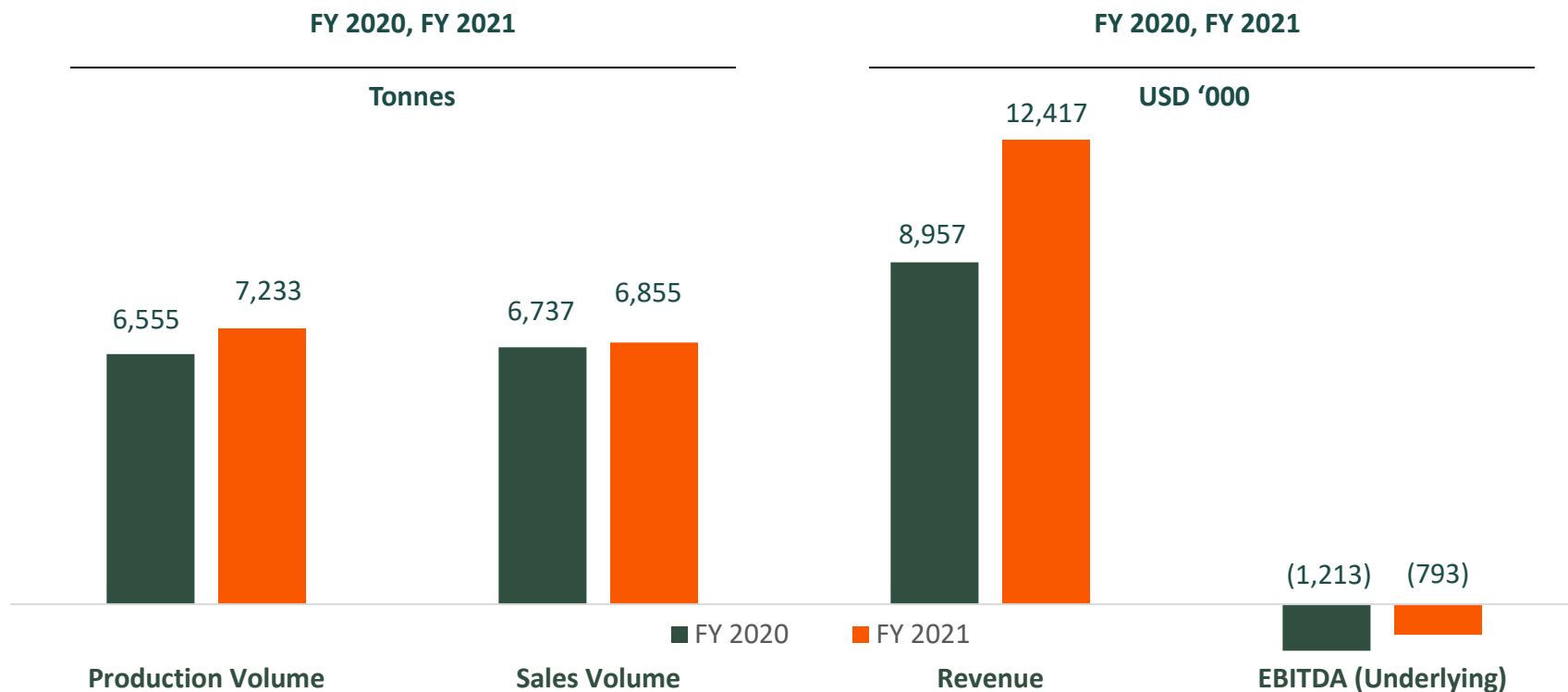
UNDERLYING EBITDA

| | FY2021 (USD) | FY2020 (USD) |
|----------------------------------|---------------------|-----------------------|
| EBITDA | \$ (4,329,943) | \$ (13,933,330) |
| Non-recurring items ² | \$ (3,536,315) | \$ (12,719,928) |
| Underlying EBITDA | \$ (793,628) | \$ (1,213,402) |

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

PYX: Strong Top Line Growth, with Tight Cost Control



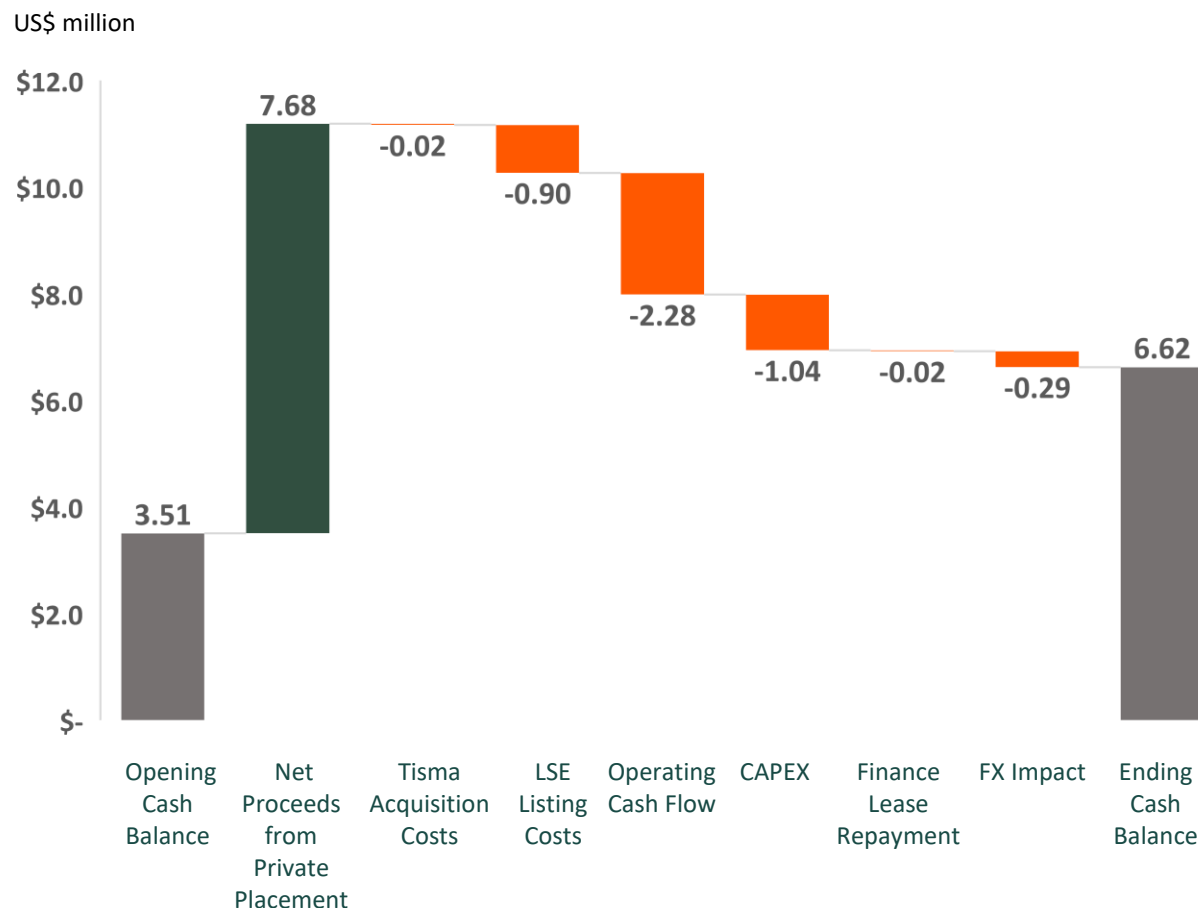
- Production volume increase as a result of increased capacity
- Strong productivity increase
- Sales volume increase resulting from increased demand, mainly from China
- Revenue increased by 39%, contributed from both the growth in sales volume as well as surging zircon price
- Reduced and limited negative operating cash flow is the result of tight control on general and administrative expenses

Cash Flow Analysis

PYX reported US\$6,624 million of cash flow in FY2021 with private placement proceedings the main cash flow component

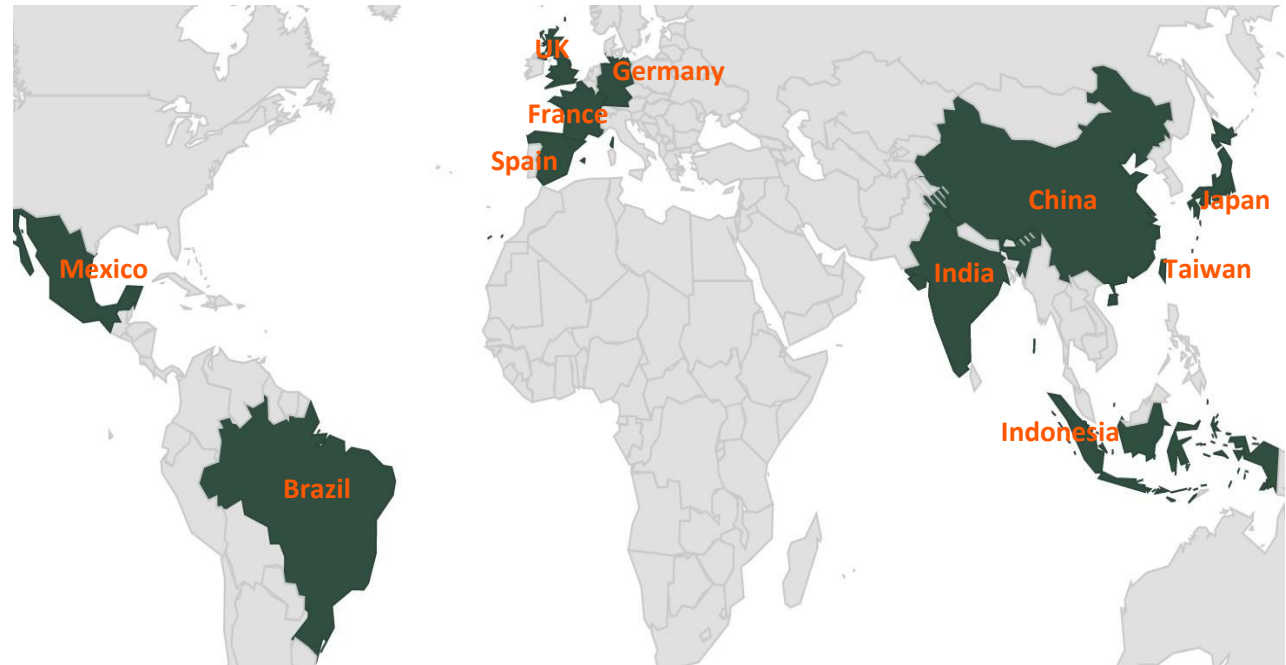
Key cash flow drivers in FY 2021

- FY2021 close balance of US\$6.6 million
- Proceeds from June 2021 share placement of A\$11.2 million (US\$7.7 million net of fees of US\$770k)
- LSE listing costs US\$895k
- Operating cash flow -US\$2,283k
- Capital expenditure US\$1,042k, reflecting a year of significant capacity increase



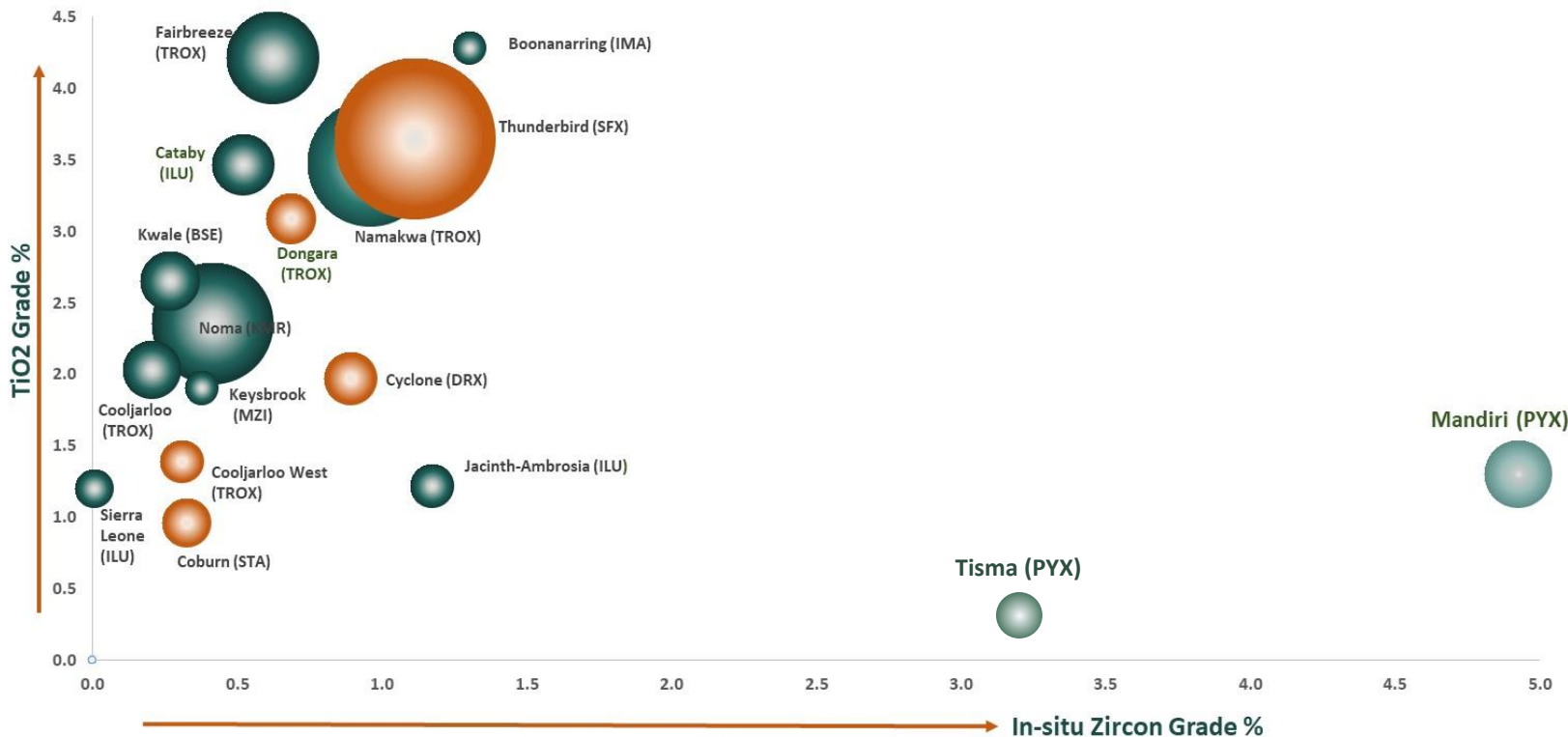
PYX Further Increased its Customer Diversification in 2021

- PYX customer base consists of a pool of well-diversified international blue-chip customers globally, providing protection to PYX against any concentration risks.
- Key customers are located across major European, American and Asian markets.
- 100% of its revenues are US\$ denominated, resulting in limited currency risk.



- Sales to top 3 major customers reduced from 61% → 52%.
- Strong weight towards China
- Record high order book ever

Mandiri and Tisma are Clear Outliers in Terms of Zircon %



Source: Public Filings, Cedrus Research

Notes:

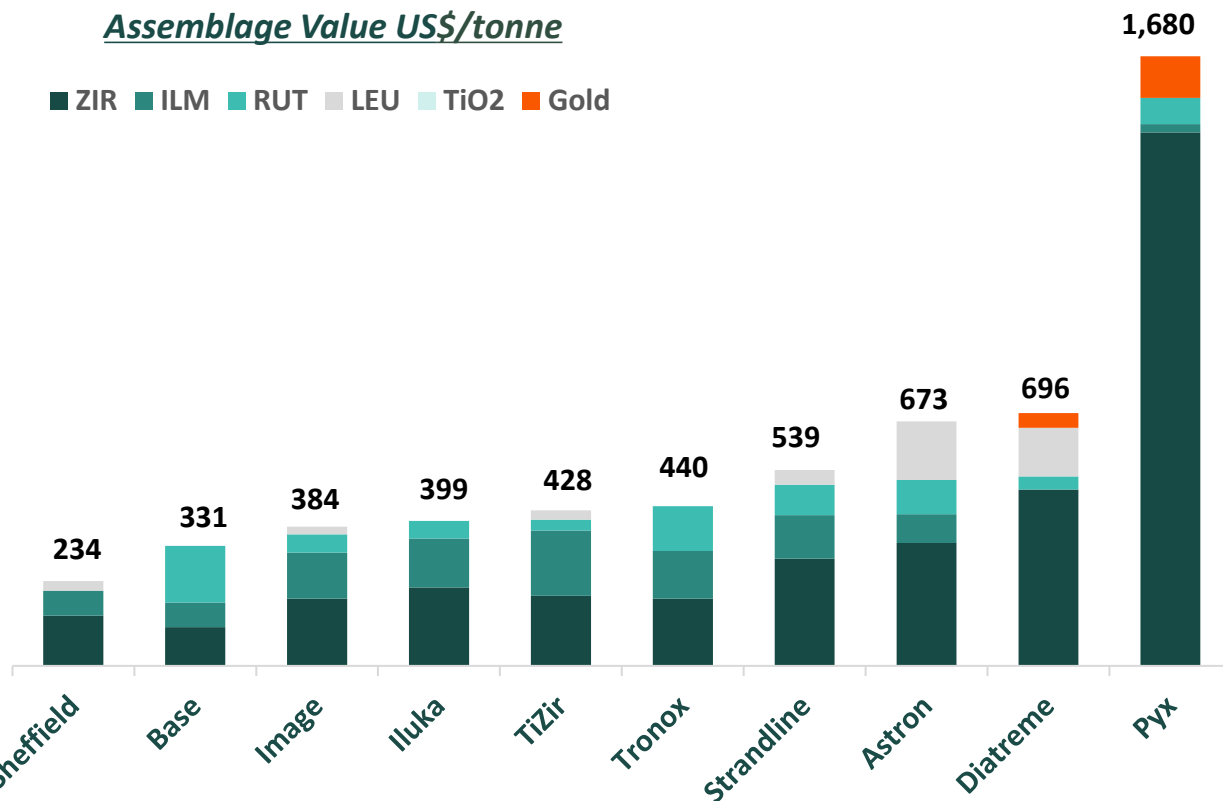
1. Mandiri Zircon grade ranked the highest among current major mineral sands operations and projects under investigation globally.
2. Bubble size proportional to tonnes of Valuable Heavy Mineral (VHM) resources.
3. Blue bubbles projects in production phase, orange bubbles projects in exploration/development phase.
4. TiO2 grade calculated as the VHM grade of Ilmenite, Leucosene, and Rutile.
5. Data compiled from public sources and PYX's' research.

Superior Assemblage

- P Y X’s Mandiri deposit has the highest assemblage value amongst its peer group, and it is already in production. The Tisma deposit has an even higher assemblage value
- Assemblage is the relative percentage of each different valuable minerals found within a heavy mineral sands deposit, such as Zircon (ZIR), Ilmenite (ILM), Rutile (RUT), and Leucoxene (LEU).
- Each valuable mineral has a different market price. The assemblage value is the weighted average value of all the valuable heavy minerals in the ore.

Assemblage Value US\$/tonne

■ ZIR ■ ILM ■ RUT ■ LEU ■ TiO2 ■ Gold



| | | | | | | | | | | | |
|--------------|-----|-----|------|----|------|----|----|----|----|----|-----|
| Zir % | 8.3 | 5.5 | 10.7 | 6 | 10.2 | 17 | 17 | 23 | 19 | 27 | 70 |
| Rut % | 3 | 2 | 2.5 | 13 | 10.3 | 3 | 4 | 7 | 8 | 3 | 6 |
| Ilm % | 28 | 82 | 72 | 56 | 52.5 | 55 | 54 | 48 | 32 | - | 9.1 |

Notes: P Y X’s gold exploration target not included in JORC Resource Statement

Source: Public filings, Cedrus’ research

Valuation Benchmarks Against Listed Peers

The following table shows the valuation (in terms of Enterprise Value (EV) per tonne of JORC Compliant resources) of comparable mineral sands mining companies listed on the ASX, which is strongly correlated with the assemblage value of the Heavy Mineral (HM) resources as stated in each company's JORC-compliant statements.

As at 31 January 2022

| | Share Price | Market Cap | EV | Resources | Weighted Avg | EV/Resources |
|-----------------------------|--------------|------------|--------|---------------------|--------------------------|--------------|
| | LCL Currency | US\$ m | US\$ m | (in situ THM) Mt | Assemblage Value US\$ | US\$/t |
| Iluka Sierra Rutile (2019)* | N/A | N/A | 600 | 8.2 | 1,200 | 75.0 |
| Iluka Sierra Rutile (2016)* | N/A | N/A | 337 | 8.2 | 1,200 | 41.1 |
| Pyx Resources | 1.4 | 429 | 417 | 14.9 | 1,680 | 28.0 |
| Diatreme Resources | 0.021 | 43 | 60 | 4.7 | 696 | 12.8 |
| Astron Corporation | 0.53 | 51 | 83 | 128.4 | 673 | 0.6 |
| Strandline Resources | 0.34 | 271 | 275 | 29.0 | 539 | 9.5 |
| Image Resources | 0.24 | 172 | 205 | 3.5 | 384 | 58.5 |
| Iluka Resources | 10.4 | 3,125 | 4,198 | 167.8 | 399 | 25.0 |
| Tronox Holdings | 22.62 | 3,510 | 5,993 | 78.1 | 438 | 76.7 |
| Tronox Holdings – mining# | N/A | N/A | 4,600 | 78.1 | 438 | 58.9 |
| Base Resources | 0.31 | 259 | 183 | 70.9 | 402 | 2.6 |
| TiZir Limited (2018)^ | N/A | N/A | 525 | 26.2 | 313 | 20.0 |
| Kenmare Resources | 430 | 551 | 627 | 185.6 | 330 | 3.4 |
| Sheffield Resources | 0.4 | 101 | 136 | 223.0 | 234 | 0.6 |

Source: Public Filings, Cedrus Research

*: Iluka Sierra Rutile 2019 valuation is based on International Finance Corporation's investment of US\$ 60 million on Iluka's Sierra Rutile's 10% stake in 2019; while 2016 valuation based on Iluka's acquisition of Sierra Rutile Ltd at US\$ 337 mm in 2016; both with assemblage value of US\$ 1,200 (i.e. spot price for Rutile)

#: Based on Apollo's acquisition offer and Cedrus analysis

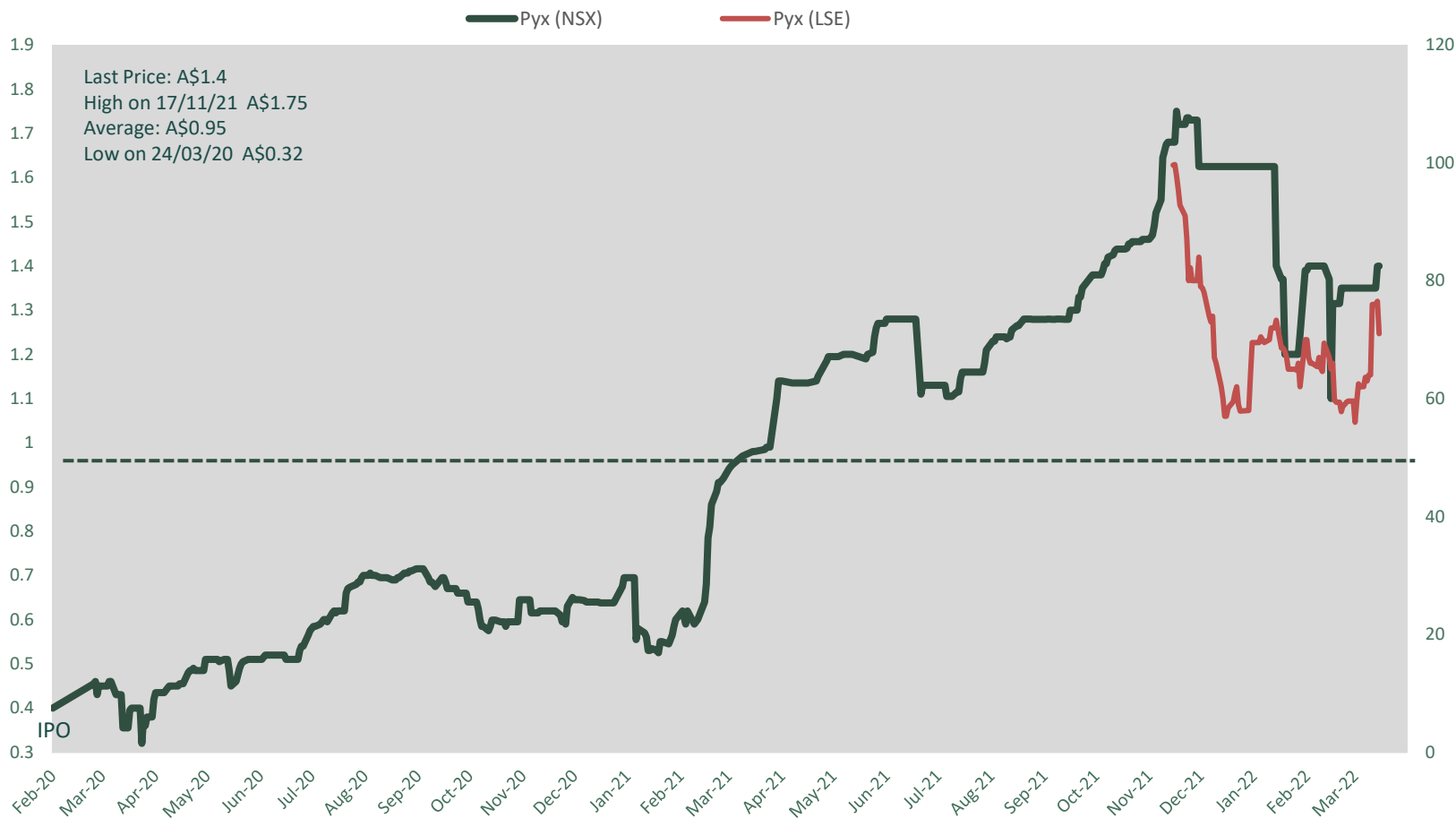
^: TiZir Limited is jointly owned 50/50 by Mineral Deposits Limited of Australia and Eramet Group, which is a French multinational mining company listed on Euronext Paris exchange.

Share Performance post IPO has Been Very Strong

As at 15 March 2022

NSX (AU\$)

LSE (GBP)

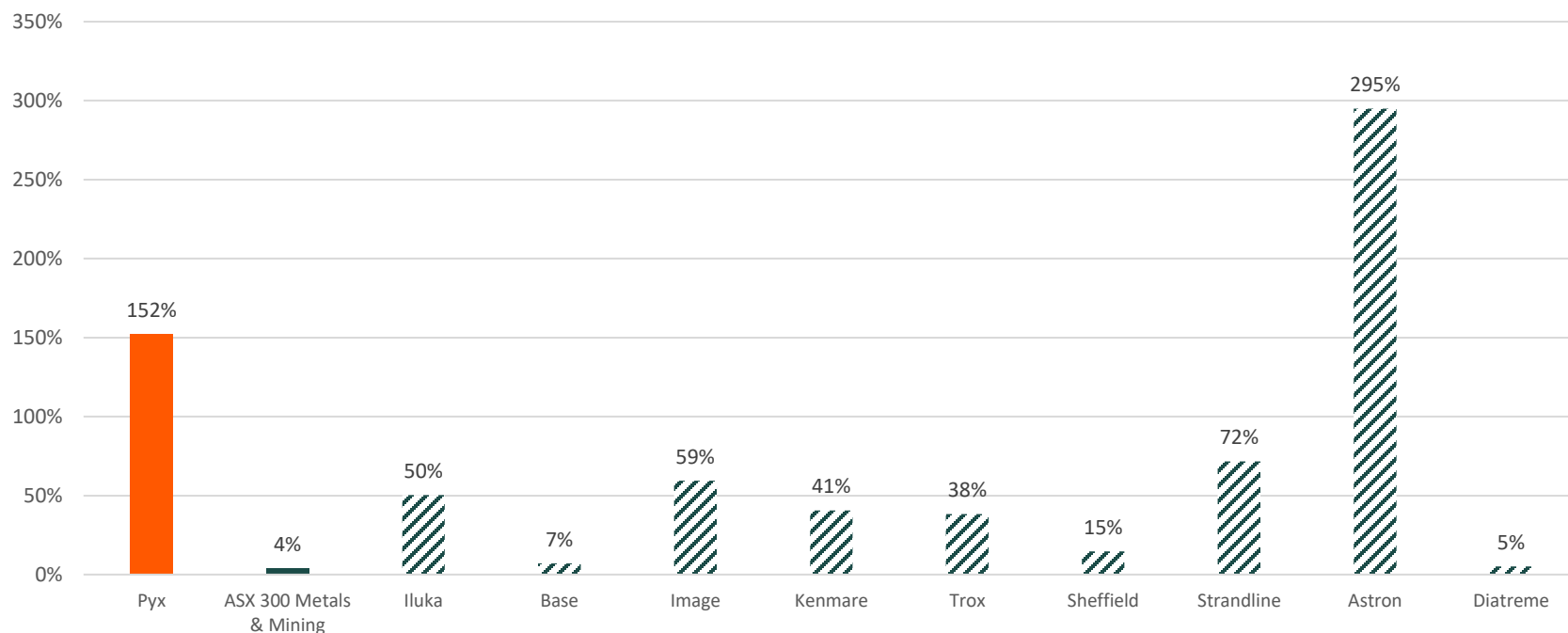


Note: P Y X commenced trading on the National Stock Exchange of Australia (NSX) on 25 February 2020 and on London Stock Exchange (LSE) on 15 November 2021

PYX Shares Clearly Outperformed Listed Miners & Peers

Share Performance (1 Jan 2021 – 15 Mar 2022, %)

As at 15 March 2022

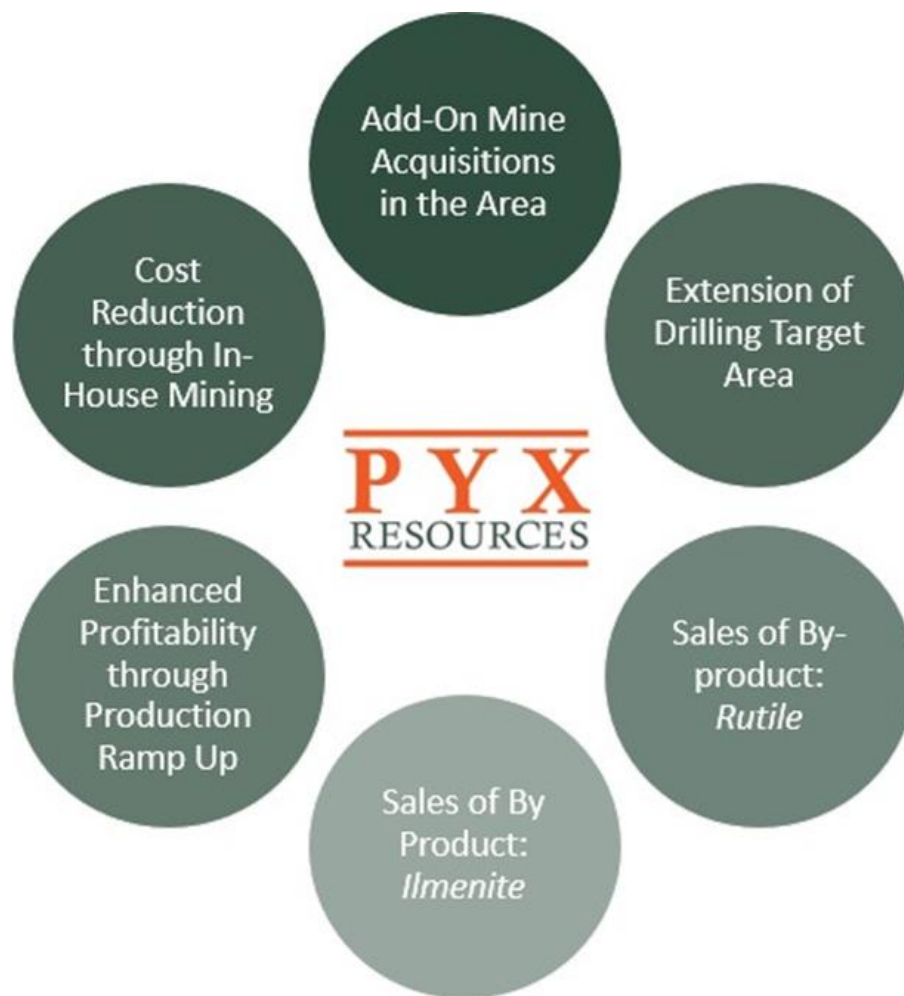


Source: Public Filings, Cedrus Research

*: The S&P/ASX 300 Metals & Mining Index is based on the S&P/ASX 300. The index is comprised of ASX listed companies that are classified by the Global Industry Classification Standard (GICS®) as being in the Metals & Mining industry, which includes producers of aluminum, gold, steel, precious metals and minerals, and diversified metals and minerals (GICS Tier 3).

Note: % calculated from the first trading day of year 2021

Additional Upside Potential in the Mid Term



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