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PYX Resources Limited / EPIC: PYX / Market: Standard / Sector: Mining

13th September 2022

PYX Resources Ltd

("PYX" or the "Company")

Half Year 2022 Results

Positive EBITDA from Operations & 128% Revenue Growth

HIGHLIGHTS

- **128% increase in revenue growth to US\$10.6 million**
- **92% increase in premium zircon realised prices to US\$2,749 per tonne**
- **163% uplift in total production after starting production of titanium dioxide minerals**
- **19% growth in premium zircon sales volumes and 23% increase in premium zircon production**
- **Achieved positive underlying EBITDA with limited negative operating cash flow**
- **Maintained debt free status and strengthened cash position to US\$7.7 million**
- **Continued diversification of sales into different countries and industries including high-tech application**
- **Strong industry up-cycle to continue through 2022, representing a great opportunity for PYX to boost capacity and grow market share**

PYX Resources Ltd (PYX or the Company) (NSX: PYX | LSE: PYX), the world's second largest publicly listed zircon producer by zircon resources¹, is pleased to announce its results for the six months ended 30 June 2022 ("**H1 2022**").

¹ According to publicly available information during the financial year ended December 2020

The Company performed strongly in the first half of the year due to a boost in premium zircon, rutile and ilmenite production, sales volume and ongoing price increases; accordingly, H1 2022 has seen PYX deliver a 128% increase in revenue growth to US\$10.6 million.

Furthermore, PYX produced 9.2kt in total and sold 3.9kt of premium zircon, up 163% and 19% year-on-year ('YoY') respectively, and increased its zircon production 23%, with average realised sales price up 92% to US\$2,749 per tonne. The Company also strengthened its finished goods inventories to 5.8kt (2021: 0.3 kt) as a result of the start of rutile and ilmenite production and limited freight availability at the end of June 2022.

With a premium zircon production of 2,623 tonnes and sales of 2,122 tonnes Q2 2022 showed to be the best quarter the company has had so far, resulting in a record revenue for the months of April to June of this year.

In December 2021, PYX announced that it had increased its capacity at its Minerals Separation Plant by 33% to 24ktpa with the additional 6ktpa capacity being utilised to start production of titanium dioxide minerals (rutile and ilmenite) during H1 2022. Tailings accumulated over the years were used to feed the process, which resulted in an ilmenite inventory of 4.6kt tonnes and rutile of 318 tonnes. Moving from sole premium zircon production to include rutile and ilmenite reduced the premium zircon potential output for H1 2022, but PYX believes it will benefit the total operation and margins in the long run.

June 2022 saw industrial metals markets come under pressure and experience the most significant price decline since 2008.² The Company believes the trigger was not only the equity markets correction but the uncertainty surrounding the possibility of an upcoming of global recession, high inflation, higher interest rates, and the concern that the war in Ukraine might spread to other countries. In the period from 1 January 2022 to 30 June 2022, copper price as an example, had a -14.9% correction to US\$8,245 per tonne and tin price fell sharply by -32.2% to US\$26,689 per tonne.³ During the same period, zircon prices (as measured by Asian Metal) showed an increase, with South African and Australian zircon increasing from US\$1,860 per tonne to US\$2,110 per tonne⁴ and PYX's premium zircon rising from US\$2,450 per tonne to US\$2,766 per tonne (being the Company's average realised prices for the month of June 2022 compared with the prices for January 2022). The Directors believe this illustrates that zircon prices are more driven by physical trade, which is impacted by a strong demand/supply imbalance, than by geopolitical concerns.

Customer demand continued to be strong, with particular interest being shown in PYX's premium zircon due to its low aluminium oxide of under 0.2% and uranium and thorium content of less than 500ppm. PYX has continued to diversify its sales into different countries and industries, adding customers in Spain, the USA, and the UK in the last six months as the Company seeks to limit its exposure to potential customer disruptions amid geopolitical issues.

² Refer article "*Industrial Metals see biggest Q2 drop since 2008 as sentiment collapses – ANZ*" by Anna Golubova, Monday July 11, 2022, Kitco News www.kitco.com

³ London Metal Exchange – LME Copper Official Prices and LME Tin Official Prices (lme.com)

⁴ Prices sourced from Asian Metal (asianmetal.com)

The Company is also seeing a diversification in end users for its products. Traditionally, zircon and its derivatives, which have remarkable properties including opacity/whiteness, hardness, low thermal expansion, high melting point, low thermal conductivity, chemical inert, and low neutron absorption, were principally used in ceramics manufacturing, but are now being utilised for a wider variety of applications including high tech applications that support the green transition. These include additive manufacturing, semiconductors, implants, solar cells, fuel cells and batteries, which are growing at circa 10 times faster than traditional uses, as well as electronics, nuclear fuel rods, paper, brake pads, investment casting, and catalysts. With this background, as the world moves toward decarbonisation, the demand for zircon is expected to continue to increase; notably, the Australian Government classes zircon, rutile, and ilmenite, as crucial minerals vital for the economic wellbeing of the world's major and emerging economies.⁵

PYX achieved a positive underlying EBITDA of US\$90k during H1 2022, compared to a negative EBITDA of US\$661k in H1 2021. The Company's net loss after tax for the period totalled US\$3.6 million compared to a loss of US\$1.2 million in 2021, mainly as a result of share grants with no effect on cash, loss on fair value change of financial instrument, improvements to operations and capex to increase extraction capacity and production and sales volumes; PYX's economics will improve significantly as a result of these investments.

The resulting cash and cash equivalent balance for the period was US\$7.7 million, up from US\$6.6 million at the end of December 2021. The increase was due mainly to the March US\$4.5 million fundraise from L1 Capital Global Opportunities Master Fund, less the capital expenditures required to produce rutile and ilmenite and the increased working capital requirements resulting from the production and inventory increase. PYX remains debt free, as planned.

US\$	H1 2022	H1 2021	% change
Sales revenue	\$ 10,645,890	\$ 4,660,223	128%
Cash cost of production	\$ (7,333,047)	\$ (4,008,639)	-83%
EBITDA	\$ (3,486,822)	\$ (1,254,832)	-178%
EBIT	\$ (3,598,520)	\$ (1,346,969)	-167%
Net loss before tax	\$ (3,613,644)	\$ (1,352,830)	-167%
Net loss after tax (NLAT)	\$ (3,623,751)	\$ (1,194,190)	-203%
Underlying EBITDA	\$ 90,008	\$ (660,567)	114%
US\$	At 30 Jun 2022	At 31 Dec 2021	% change
Cash	\$ 7,653,070	\$ 6,624,364	15.5%
Total assets	\$ 87,873,627	\$ 84,796,550	3.6%
Total liabilities	\$ (3,951,428)	\$ (1,759,899)	-79.3%

Results Summary

⁵Australian Government, Australian Critical Minerals Prospectus 2021 <https://bit.ly/3qfYInX>

Commenting on the Company's achievements in H1 2022, PYX Resources' Chairman and Chief Executive Officer, Oliver B. Hasler, said:

"The six-month review period has not only seen us lift revenue by 128% to US\$10.6 million but also post a material uplift in our underlying EBITDA that moved into positive territory for the first time as planned. Together with the strengthening of zircon prices, the other key catalyst behind the step-up in performance has been the expansion in production capacity at Mandiri from 18ktpa to 24ktpa, which has enabled us to diversify our offering to include rutile and ilmenite; ultimately, this will lift to 48ktpa as of our 5-year plan."

"Looking forward, I believe that the Company is well positioned to enter a period of sustained growth in financial performance. With a strong balance sheet and buoyant market, we anticipate delivering on our objective to develop the Group into one of the most prominent mineral sands producers globally, one which benefits all stakeholders including the local communities around which our business is centred, and I look forward to providing further updates on progress made."

PYX Cares Programme

PYX continued with its PYX Cares programme based on five pillars: People, Planet, Prosperity, Peace, and Partnership and subscribed to the UN Global Compact. Working with local communities in Kalimantan, to learn what they need to ensure it leaves a lasting legacy to the region and its people, in 2022, PYX realised projects on education, clean water and sanitation, viable employment, and building partnerships to further these goals.

Furthermore, PYX commenced several environmental projects including a collaboration with an off-site Orangutan Sanctuary in Indonesia and a reforestation programme, which will see the Company plant 10,000 trees on its tenement area.

PYX also continued its Covid-19 vaccination programme; as of 31 August, 100% of its employees had received the first two vaccines and 86% had received the third. Additionally, for the second consecutive year, PYX has taken part in National Blood Donor Day, using the banner 'Give Blood, Save Life'.

2022 Half Year Results Conference Call

A conference call for equity market participants will take place on Tuesday 20 September 2022 at 6pm AEST / 9am BST. All participants wishing to listen in to the call must pre-register before they can receive the dial-in number. Please register here: <https://bit.ly/3RDNSmS>.



PYX's Zircon, Rutile, and Ilmenite

***** ENDS *****

For more information:

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About PYX Resources

PYX Resources Limited (NSX: PYX | LSE: PYX) is a producer of premium zircon dual listed on the National Stock Exchange of Australia and on the Main Market of the London Stock Exchange. PYX's key deposits, Mandiri and Tisma, are large-scale, near-surface open pit deposits both located in the alluvium-rich region of Central Kalimantan, Indonesia. PYX, whose Mandiri deposit has been in production since 2015, is the 2nd largest publicly traded producing mineral sands company by zircon resources globally. Determined to mine responsibly and invest in the wider communities where we operate, PYX is committed to fully developing its Mandiri and Tisma deposits, with the vision to consolidate the mineral sands resources in Kalimantan and explore and acquire mineral sands assets in Asia and beyond.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

		Consolidated Group	
	Note	Half-year Ended 30 June 2022	Half-year Ended 30 June 2021
		US\$	US\$
Revenue	2	10,645,890	4,660,223
Cost of sales	3	(7,403,682)	(4,059,354)
Selling and distribution expenses		(970,335)	(354,684)
Corporate and administrative expenses		(4,754,501)	(1,488,908)
Foreign exchange loss		(319,902)	(15,781)
Loss on FV change of financial instrument		(795,990)	-
Listing costs		-	(206)
Finance costs		(15,124)	(5,861)
Other expenses		-	(88,259)
Loss before income tax		(3,613,644)	(1,352,830)
Income tax benefit		(10,107)	158,640
Net loss for the period		(3,623,751)	(1,194,190)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Exchange differences on translating foreign operations, net of tax		(55,457)	59,582
Total comprehensive income for the period		(3,679,208)	(1,134,608)
Net loss attributable to:			
- owners of the Parent Entity		(3,729,389)	(637,735)
- non-controlling interest		105,638	(556,455)
		(3,623,751)	(1,194,190)
Total comprehensive income attributable to:			
- owners of the Parent Entity		51,170	13,791
- non-controlling interest		(106,627)	45,791
		(55,457)	59,582
Loss per share			
Basic loss per share (US\$ cents per share)		(0.84)	(0.20)
Diluted loss per share (US\$ cents per share)		(0.81)	(0.19)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Note	Consolidated Group	
		As at 30 June 2022	As at 31 December 2021
		US\$	US\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		7,653,070	6,624,364
Trade and other receivables		462,440	968,915
Advance to suppliers		753,743	337,214
Prepayments and deposits		93,850	68,484
Prepaid tax		358,336	210,513
Inventories		1,676,936	530,716
TOTAL CURRENT ASSETS		10,998,375	8,740,206
NON-CURRENT ASSETS			
Right of use assets		22,982	21,595
Property, plant and equipment	8	3,081,305	2,228,372
Deferred tax assets		445,297	471,811
Intangible assets	9	73,325,668	73,334,566
TOTAL NON-CURRENT ASSETS		76,875,252	76,056,344
TOTAL ASSETS		87,873,627	84,796,550
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		3,951,428	1,758,140
Lease liabilities		-	1,759
TOTAL CURRENT LIABILITIES		3,951,428	1,759,899
TOTAL LIABILITIES		3,951,428	1,759,899
NET ASSETS		83,922,199	83,036,651

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Note	Consolidated Group	
		As at 30 June 2022	As at 31 December 2021
		US\$	US\$
EQUITY			
Issued capital	5	100,038,400	96,651,080
Reserves	6	5,111,367	3,882,761
Accumulated losses		(20,285,319)	(16,555,930)
Equity attributable to owners of the Parent Entity		84,864,448	83,977,911
Non-controlling interest		(942,249)	(941,260)
TOTAL EQUITY		83,922,199	83,036,651

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

Consolidated Group	Note	Ordinary Share Capital US\$	Share-based payment reserve US\$	Accumulated losses US\$	Foreign currency translation reserve US\$	Options reserve US\$	Subtotal US\$	Non-controlling Interests US\$	Total US\$
Balance at 1 January 2021		14,873,158	2,804,535	(12,877,048)	(22,084)	-	4,778,561	(257,712)	4,520,849
Comprehensive income									
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
Total comprehensive income for the period		-	-	(637,735)	13,791	-	(623,944)	(510,664)	(1,134,608)
Transactions with owners, in their capacity as owners, and other transfers									
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)
Total transactions with owners and other transfers		81,777,922	(392,449)	-	-	-	81,385,473	(61,957)	81,323,516
Balance at 30 June 2021		96,651,080	2,412,086	(13,514,783)	(8,293)	-	85,540,090	(830,333)	84,709,757
Balance at 1 January 2022		96,651,080	3,906,968	(16,555,930)	(24,207)	-	83,977,911	(941,260)	83,036,651
Comprehensive income									
Loss for the period		-	-	(3,729,389)	-	-	(3,729,389)	105,638	(3,623,751)
Other comprehensive income for the period		-	-	-	51,170	-	51,170	(106,627)	(55,457)
Total comprehensive income for the period		-	-	(3,729,389)	51,170	-	(3,678,219)	(989)	(3,679,208)
Transactions with owners, in their capacity as owners, and other transfers									
Shares issued during the period		3,387,320	-	-	-	-	3,387,320	-	3,387,320
Options reserve		-	-	-	-	411,732	411,732	-	411,732
Share based payments		-	1,889,090	-	-	-	1,889,090	-	1,889,090
Issue of shares to employees		-	(1,123,386)	-	-	-	(1,123,386)	-	(1,123,386)
Total transactions with owners and other transfers		3,387,320	765,704	-	-	411,732	4,564,756	-	4,564,756
Balance at 30 June 2022		100,038,400	4,672,672	(20,285,319)	26,963	411,732	84,864,448	(942,249)	83,922,199

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

	Consolidated Group	
	Half-year Ended 30 June 2022	Half-year Ended 30 June 2021
	US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	11,050,784	4,614,853
Payments to suppliers and employees	(12,954,223)	(5,205,032)
Other income	-	(88,259)
Interest received	148	96
Finance costs	(15,272)	(5,957)
Income taxes refunded/(paid)	9,674	(55,141)
Net cash used in operating activities	(1,908,889)	(739,440)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(943,247)	(568,914)
Payments for acquisitions costs, net of cash acquired	-	(24,275)
Net cash used in investing activities	(943,247)	(593,189)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from placement funds	4,383,822	8,327,092
Costs associated with shares issues	-	(769,914)
Costs associated with option issues	(250,037)	-
Receipts/(Advances) of employee loans	4,092	(6,376)
Repayment of lease liabilities	(15,631)	(11,415)
Net cash generated by financing activities	4,122,246	7,539,387
Net increase in cash held	1,270,110	6,206,758
Cash and cash equivalents at beginning of period	6,624,364	3,509,395
Effect of foreign exchange rate changes	(241,404)	1,488
Cash and cash equivalents at end of period	7,653,070	9,717,641

The accompanying notes form part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

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 2022 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 2021, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 12 September 2022.

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.

	Half-year Ended	Half-year Ended
	30 June 2022	30 June 2021
	US\$	US\$
Revenue from contracts with customers	10,645,890	4,660,223

Revenue from contracts with customers

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

NOTE 3: LOSS FOR THE PERIOD

	Consolidated Group	
	Half-year Ended 30 June 2022	Half-year Ended 30 June 2021
	US\$	US\$
Loss before income tax from continuing operations includes the following specific expenses:		
Expenses		
Cost of sales	7,403,682	4,059,354
Interest expense on financial liabilities not classified as at fair value through profit or loss:		
– unrelated parties	15,233	4,676
Finance charges	39	1,281
Less: Interest income	(148)	(96)
Net interest expense	15,124	5,861
Employee benefits expense:		
– Staff salaries and benefits	183,163	163,686
– Share based payments	1,889,090	566,725
Rental expense on operating leases		
short- term lease expense	2,574	2,421
Depreciation	111,698	92,137

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

NOTE 4: CONTINGENT LIABILITIES

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

NOTE 5: ISSUED CAPITAL

	Consolidated Group	
	Half-year Ended	Year Ended
	30 June 2022 US\$	31 December 2021 US\$
436,699,484 (2021: 429,520,222) fully paid ordinary shares	100,038,400	96,651,080
	100,038,400	96,651,080

	Consolidated Group			
	2022		2021	
	No. of shares	Contributed equity US\$	No. of Shares	Contributed equity US\$
a. Ordinary Shares				
At the beginning of the reporting period	429,520,222	96,651,080	267,777,037	14,873,158
Movement :				
Year 2021	-	-	161,743,185	81,777,922
17 January 2022	2,182,894	586,762	-	-
21 March 2022	3,000,000	2,513,971	-	-
21 March 2022	1,996,368	536,624	-	-
Share issue costs	-	(250,037)	-	-
At the end of the reporting period	436,699,484	100,038,400	429,520,222	96,651,080

On 17 January 2022, 2,182,894 shares were issued on conversion of 2,182,894 Performance Rights to Shares on achievement of milestones.

On 21 March 2022, the Company issued initial 3,000,000 shares valued at US\$2,513,971, net of costs and 2,083,431 unlisted options to L1 Capital Global Opportunities Master Fund ("L1"). These initial shares and unlisted options were issued in connection with the advance funds of US\$4,383,822 received from L1 as a prepayment for US\$5 million worth of PYX shares. These advance funds will be converted to ordinary shares of the Company within 24 months after the funding date. The unconverted amount of the advance funds is reported net of the value of initial shares and included in trade and other payables in the consolidated statement of financial position.

On 21 March 2022, 1,996,368 shares were issued on conversion of 2,675,943 Performance Rights to Shares on achievement of milestones.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

	30 June 2022	31 December 2021
	No.	No.
b. Unlisted options		
At the beginning of the reporting period	-	-
21 March 2022	2,083,431	-
	<hr/> 2,083,431	<hr/> -

During the period, 2,083,431 unlisted options were issued to L1 Capital Global Opportunities Master Fund, pursuant to the Share Placement Agreement. Options are exercisable at any time prior to their expiration, being 21 March 2025. These options are valued at US\$1.32.

c. 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.

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.

	Consolidated Group	
	Half-year Ended	Year Ended
	30 June 2022	31 December 2021
	US\$	US\$
Total borrowings	-	1,759
Less cash and cash equivalents	7,653,070	6,624,364
Net cash/(debt)	<hr/> 7,653,070	<hr/> 6,622,605
Total equity	83,922,199	83,036,651
Total capital	<hr/> 83,922,199	<hr/> 83,036,651
Gearing ratio	0.000%	0.002%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

NOTE 6: RESERVES

a. **Share-based Payment Reserve**

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

b. **Options Reserve**

The options reserve records costs associated with the option issue.

c. **Foreign Currency Translation Reserve**

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

d. **Analysis of Reserves**

	Consolidated Group	
	Half-year Ended	Year Ended
	30 June 2022	31 December 2021
	US\$	US\$
Share-Based Payment Reserve		
At the beginning of the reporting period	3,906,968	2,804,535
Share-based payments	1,889,090	2,061,607
Issue of shares to employees	(1,123,386)	(959,174)
Closing balance in share-based payment reserve	4,672,672	3,906,968
Options Reserve		
At the beginning of the reporting period	-	-
Options reserve	411,732	-
Closing balance in options reserve	411,732	-
Foreign Currency Translation Reserve		
At the beginning of the reporting period	(24,207)	(22,084)
Exchange differences on translation of foreign operations	51,170	(2,123)
Closing balance in foreign currency translation reserve	26,963	(24,207)
Total	5,111,367	3,882,761

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

NOTE 7: 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>
3,500,000	18/05/2022	31/12/2024	A\$1.15
3,500,000	18/05/2022	31/12/2024	A\$1.15
3,500,000	18/05/2022	31/12/2024	A\$1.15

During the half year, 4,858,837 performance rights were exercised and converted into 4,179,262 shares

NOTE 8: PROPERTY, PLANT, AND EQUIPMENT

	Consolidated Group	
	Half-year Ended	Year Ended
	30 June 2022	31 December 2021
	US\$	US\$
Land and Buildings		
Freehold land at cost	211,839	196,989
Total land	<u>211,839</u>	<u>196,989</u>
Buildings at cost	878,333	826,936
Accumulated depreciation	(197,584)	(176,542)
Total buildings	<u>680,749</u>	<u>650,394</u>
Total land and buildings	<u>892,588</u>	<u>847,383</u>
Construction in Progress		
Construction in progress at cost	1,406,813	659,605
Total Construction in Progress	<u>1,406,813</u>	<u>659,605</u>
Plant and Equipment		
Plant and equipment at cost	946,109	818,856
Accumulated depreciation	(240,453)	(183,903)
Total plant and equipment	<u>705,656</u>	<u>634,953</u>
Motor Vehicles		
Motor vehicles at cost	81,161	79,758
Accumulated depreciation	(26,465)	(15,777)
Total motor vehicles	<u>54,696</u>	<u>63,981</u>
Furniture and Fittings		
Furniture and fittings at cost	31,805	30,668
Accumulated depreciation	(10,253)	(8,218)
Total furniture and fittings	<u>21,552</u>	<u>22,450</u>
Total property, plant and equipment	<u>3,081,305</u>	<u>2,228,372</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

NOTE 9: INTANGIBLE ASSETS

	Consolidated Group	
	Half-year Ended	Year Ended
	30 June 2022	31 December 2021
	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	(31,143)	(22,245)
Net carrying amount	57,841	66,739
Exploration asset		
Cost	73,260,053	73,260,053
Net carrying amount	73,260,053	73,260,053
Total intangible assets	73,325,668	73,334,566

	Goodwill	Mining License	Exploration asset	Total
	US\$	US\$	US\$	US\$
Consolidated Group:				
Half-year ended 30 June 2022				
Balance at the beginning of the year	7,774	66,739	73,260,053	73,334,566
Amortisation	-	(8,898)	-	(8,898)
Closing value at 30 June 2022	7,774	57,841	73,260,053	73,325,668

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

NOTE 10: INTERESTS IN SUBSIDIARIES

Name of Entity	Equity Interest		Proportion of Non-Controlling Interest		Contribution to Net Profit/(Loss) before taxation	
	2022 %	2021 %	2022 %	2021 %	2022 US\$	2021 US\$
Takmur Pte Ltd.	100	100	-	-	(11,702)	(22,250)
PT Andary Usaha Makmur	99.5	99	0.5	1	(142,681)	(94,016)
PT Investasi Mandiri*	-	-	100	100	128,139	(692,421)
Tisma Development (HK) Ltd.	100	100	-	-	8,214	4,392
PT Tisma Investasi Abadi	99	99	1	1	(1,719)	(524)
PT Tisma Global Nusantara**	-	-	100	100	(11,663)	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.

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 20, 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 2022 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: 12 September 2022

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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