

Q3 2023 Operational Update

61% Increase in Premium Zircon Production and 88% Increase in Sales

Q3 HIGHLIGHTS

- Premium Zircon production increased by 61% to 4.0kt (Q3 2022: 2.5kt), its highest to date
- Sales of Premium Zircon increased 88% in Q3 2023 to 4.2kt (Q3 2022: 2.3kt) driven by demand from China and India
- Award of the export licence announced on the 17th August 2023. The Company had stockpiled 8.2kt of Titanium Dioxide.
- Successful renewal of 10-year mining and exploration licence for the Tisma Mineral Sands Project
- Awarded with the COVID-19 Prevention and Management and Zero Accident Award 2023 from the Government authorities in Kalimantan

PYX Resources Ltd (“PYX” or “the Company”) (NSX: PYX | LSE: PYX), the world’s third largest publicly listed zircon producer by zircon resources,¹ is pleased to announce an Operational Update for the three months ended 30 September 2023 (“Q3 2023”).

SUMMARY

	Q3 '23	Q3'22	Var	YTD'23	YTD'22	Var
Zircon Produced	4.0kt	2.5kt	61%	9.7kt	6.8kt	43%
Zircon Sales	4.2kt	2.3kt	88%	9.4kt	6.1kt	54%
Value per tonne (USD)	2,116	2,606	-19%	2,012	2,697	-25%
Total Mineral Sands Produced	4.9kt	3.5kt	39%	11.7kt	12.7kt	-8%
Total Mineral Sands Sold	4.2kt	2.5kt	70%	9.4kt	6.4kt	48%

The Company has reported a significant increase in Premium Zircon production of 4,021t in Q3 2023, which is equivalent to a yearly production rate above 16kt and in line with the PYX’s five-year plan.

Premium Zircon sales experienced robust growth during the period with an increase of 88% to a sales volume of 4.2kt, mainly to China and India as the Western economy slows. The Company

¹ According to publicly available information as of 30 June 2023

believes this growth is a result of the Company's customer-centric approach, strong relationships with clients, and the ability to deliver high-quality products that meet their specific needs.

In terms of pricing, Premium Zircon has experienced a remarkable upward trend. Starting from January 2021 at US\$1,400/t, international pricing (as reported by Bloomberg) steadily increased throughout the year, reaching US\$1,800/t in H2 2021 and US\$2,000/t by January 2022.

This positive trajectory continued into Q2 2023, with the price reaching US\$2,100/t. Since Q3 2022, the price has remained stable at US\$2,200/t, a 64% increase on 2021 prices, defying the volatility of the market. This exceptional outcome underscores the imbalanced supply and demand dynamics, and PYX's ability to capitalize on this favourable market situation.

Commenting on the Company's achievements in Q3 2023, PYX's Chairman and Chief Executive Officer Oliver Hasler, said:

"I am delighted with our achievements in Q3 2023. The Company experienced substantial growth in Premium Zircon sales, with a 54% increase, and a production increase of 43% year-to-date. Our diversified global client base has allowed us to manage and minimise risk. This coupled with the quality of our Premium Zircon has resulted in consistent growth in sales whilst our exceptional team on site have been instrumental in ensuring maximum efficiency."

"I am particularly proud of the two awards given to the Company by the Government authorities in Kalimantan - the Award for the Prevention and Management of COVID-19 in the Workplace and Zero Accident Award 2023 – we are passionate about our people and the safety of our team."

"As we enter the second half of the year, we are optimistic about our strategic plan and the continued rise of Mineral Sands prices. We remain well positioned to deliver on our goals and benefit from the industry's strength."

Licences

The renewal of a 10-year Izin Usaha Pertambangan Operasi Produksi (IUP-OP, Mining Operation and Production Licence) exploration and mining licence agreement for the Tisma project, which PYX has a contractual interest in, represents a significant milestone for the Company.

The IUP-OP license and newly issued RKAB Operasi Produksi Tahun 2023 (Working Plan and Budget) authorises the Company to extract, produce, and export 24kt of zircon, 20kt of rutile and 50kt of ilmenite, ensuring the extraction and production of other by-products, such as SiO₂.

This renewal, and access to this licence, solidifies PYX's position as a leading player in the mineral resources sector and opens up new opportunities for growth and expansion. The Directors believe the Tisma project holds immense potential, and this long-term licence agreement should provide stability and confidence to maximise its value over the coming years.

Additionally, the Indonesian authorities have outlined the legislation for Mineral Sands companies to export Ilmenite and Rutile to international markets, following a change in Indonesian law. The Ministry of Trade of the Republic of Indonesia, following the recommendation of the Ministry of Energy and Natural Resources, has changed the category of Titanium dioxide, with Ilmenite and Rutile receiving the same classification as Zircon, as a Non-Metal Commodity.

The new law, issued by the Ministry of Trade under regulation No. 13, allows for the export of Ilmenite and Rutile as Non-Metal with a minimum grade of $\text{TiO}_2 \geq 45\%$ for Ilmenite and $\text{TiO}_2 \geq 90\%$ for Rutile. On 17th August 2023 the Company announced the award of the export licence for Rutile and Ilmenite. PYX started producing rutile in January 2022 and ilmenite in June 2022, and by the end of June 2023 it had stockpiled 8.2kt.

Awards

Also, during the period, the Company was delighted to be awarded with the COVID-19 Prevention and Management and Zero Accident Award 2023 from the Indonesian Ministry of Manpower.

*****ENDS*****

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This announcement is authorised for release by Oliver B. Hasler, Chairman and Chief Executive Officer.

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 3rd 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.