

28 December 2023

Letter to Shareholders

Dear Shareholders,

As we near the end of 2023, I am extremely proud of everything PYX has accomplished during the year and the milestones it has achieved, taking the Company a step closer to its goal of becoming a mineral sands consolidator in Indonesia, and a leading player in the premium zircon market.

To this end, we were delighted to be awarded the licence for the export of ilmenite and rutile ores from the Indonesian government in August 2023, which allows us to extract, produce, and export up to 24kt of zircon, 20kt of rutile and 50kt of ilmenite per annum, as well as extract and produce other by-products such as SiO₂. Another significant milestone during the year was the successful renewal of a 10-year exploration and mining licence at Tisma Mineral Sands Project, demonstrating Indonesia's support for the project and providing us with long-term visibility over this highly prospective project. PYX started producing rutile in January 2022 and ilmenite in June 2022, and by the end of June 2023 it had stockpiled 8.2kt.



Figure 1: The PYX Cares team planting 10,000 Bengkirai trees in our previously mined areas.

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Figure 2: The PYX team inspecting the installation of a new dryer machine at our mineral separation plant at Mandiri.

The Company has continued to build on the strong foundations set in 2022, with a notable continuation of its growth trajectory both operationally and financially. In Q3 2023 the Company

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announced a 61% increase in Premium Zircon production to 4.0kt, and a 43% increase in YTD'23 production to 9.7kt, equivalent to a yearly production rate of 16kt and in line with PYX's five-year plan.

Our strategic approach to client diversification has allowed us to, where possible, mitigate global economic challenges and varying demand for our premium zircon. This has proven to be prudent as the western economy slowed down and most of our sales, which increased by 88% in Q3 and 54% YTD'23, to a sales volume of 4.2kt and 9.4kt, respectively, were generated from China and India.

Pleasingly, the international price of premium zircon has remained stable at US\$2,200/t, a 64% increase on 2021 prices, defying the volatility of the market and highlighting the imbalanced supply and demand dynamics. Price stability was key to achieving cash neutral status, no debt, and positive underlying EBITDA of US\$131k, a 46% improvement on HY 2023. We believe that this deficit of zircon supply will continue as the new mines coming into production are not enough to compensate for the reduction in supply coming from the large mines reaching the end of their mine lives.

Our unwavering commitment to ESG and to supporting the communities around us through our initiative, PYX Cares, continued in 2023 and saw the Company partner with the Indonesian Red Cross Society in its annual Indonesian National Blood Donor Day.



Figure 3: PYX's holistic sustainability programme as part of PYX Cares. Empowering local communities, protecting the environment, promoting diversity, and ensuring our employees and the people of Kalimantan can fully participate in our long-term success.

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Figure 4: PYX's Child Health Day event, teaching young children the importance of teeth brushing and hand washing.

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Importantly, and, a fundamental part of our licence to operate, is our ability to keep our team safe. I was delighted that PYX received the Award for Prevention and Management of COVID-19 in the Workplace in 2023, and the Zero Accident Award 2023 from the government authorities in Kalimantan and the Central Government in Jakarta.

In addition, we continued to be transparent about our ESG achievements during the year with the submission of our Progress Report to the United Nations Global Compact Organization which focuses on five key pillars: People, Planet, Prosperity, Peace, and Partnership.



Figure 5: Celebrating Indonesian Independence Day with a flag hoisting ceremony.

Looking into 2024 and beyond, our focus remains steadfast on continued sustainable growth, as the company looks to increase exports, sales, and production, and works concurrently with our local communities and the Indonesian Government to meet our ambitious growth plans.

I would like to end by thanking all our shareholders and stakeholders for their continued support and look forward to reporting on our progress in 2024.

Warm regards,

Oliver B. Hasler
Chairman and CEO