

PYX Resources to Acquire World-Class, Fully Licensed Mineral Sands Deposit

HIGHLIGHTS

- PYX to acquire world-class, fully licensed mineral sands deposit in Central Kalimantan Province, Indonesia
- Acquisition bolsters PYX's capabilities, becoming the 2nd largest zircon producing mining company globally
 - Company to control 263 MM tonnes of JORC compliant resources, with 10.5 MM tonnes of contained zircon
 - Zircon grade of 3.27%, making it one of the highest-grade zircon deposits globally, along with PYX existing Mandiri deposit (zircon grade of 4.76%)
- Potential to increase extraction and production of zircon to supply fast growing demand around the globe during the post-Covid-19 economic recovery
- Clear future benefit for PYX's world-wide customer-base as a result of increasing supply of high quality, premium zircon

PYX Resources Limited (PYX or the Company) (NSX: PYX) is pleased to announce that it has entered into a Share Purchase Agreement with the shareholders of **Tisma Development (HK) Ltd. (Tisma)** to acquire 100% of its shares. The Transaction will increase the scale of the Company's activities through an excellent strategic addition to our resource base. The acquisition is a key milestone in the consolidation of the Indonesian Mineral Sands mining industry, transforming PYX's resource base into the 2nd largest zircon producing resource base in the world, thus, generating shareholder value through enhancing PYX's ability to service blue-chip customers around the world with high quality, premium zircon.

Tisma operates a world-class mineral sands asset consisting of a concession area of 1,500 hectares located in Central Kalimantan Province, Indonesia, with substantial JORC compliant inferred resource and includes, in addition to 4.5 million tons of contained zircon, the potential to extract titanium minerals (rutile and ilmenite). ¹

The concession is fully-licensed for zircon exploration and premium grade zircon production and exportation. It has access to well-developed infrastructure; such as a paved road to the deposits and is in close proximity to Palangkaraya, the provincial Capital of Central Kalimantan.

The Transaction complements the strategy of PYX by adding an additional mine and resources in the same region as the Mandiri tenement. The Directors hold the conviction that the Transaction will drive value creation for existing and new shareholders as it:

¹ Refer NSX Announcement dated 13 January 2021. The Company is not aware of any new information or data that materially affects the information included in the original announcement

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- i) adds substantially to the Company's Mineral Resource base, ranking PYX second globally in terms of JORC compliant zircon resources amongst mineral sands companies in production, after the market leader, Iluka Resources;
- ii) enables increased extraction and production of zircon to supply fast growing demand around the globe during the post-Covid-19 economic recovery; and
- iii) provides the potential for extraction and production synergies given the proximity of PYX's Mandiri deposit, thereby optimizing the Company's resources.

PYX's Chairman and Chief Executive Officer, Oliver Hasler, said: *"The acquisition of Tisma will mark another key milestone for PYX's stated strategy to significantly expand our asset base and sends a clear message that we are moving forward on a high-value growth path. The Transaction will allow PYX to significantly grow our premium zircon business serving blue chip customers around the globe."*



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

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About PYX Resources

PYX Resources Limited (NSX: PYX) is a global producer of premium zircon listed on the National Stock Exchange of Australia. The Company's flagship asset is the Mandiri mineral sands deposit, located in the alluvium sediment rich region of Central Kalimantan, Indonesia. Boasting the world's 5th largest producing deposit of zircon, Mandiri is a large-scale, near-surface open pit operation in production since 2015 and with exploration to date validating the presence of additional Valuable Heavy Minerals such as rutile, ilmenite among others within its mineral sands.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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

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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 NSX Announcement.