

PYX Announces Second Price Increase for Premium Zircon Triggered by Increased Demand and Low Inventories

HIGHLIGHTS

- Price of premium zircon will increase by US\$70 per tonne to US\$1,540 per tonne
- Marks second consecutive price increase for PYX this year
- Price increase driven by supply problems in South Africa and lack of inventories in China
- Pricing environment expected to remain strong in the medium and long-term future
- PYX is the second-largest producing mining company globally in terms of JORC-compliant zircon resources

PYX Resources Limited (PYX or the Company) (NSX: PYX) announces that with immediate effect it will increase the price of its premium zircon by US\$70 to US\$1,540 per tonne. The new price marks the second increase for PYX's premium zircon this year following a US\$75 per tonne increase in March 2021. The decision comes as a result of supply issues in South Africa and low inventory levels in China, with both triggering a general lack of premium zircon supply globally. Australian sales of Heavy Mineral Concentrate (HMC) to China have created a further void of premium zircon in the market, leading to higher customer demand and consequently, higher market prices.

The zircon pricing environment is expected to remain strong as lack of supply continues to grow. As China's economy expands and European economies recover from pandemic, supply issues are compounded. Consequently, countries across Europe are expected to begin the process of re-configuring their entire supply chains, putting more pressure on supply.

Premium zircon is in great demand and stands in stark comparison to other zircon available in the market. Due to its low Al₂O₃ content and uranium + thorium content below 450ppm, PYX's premium zircon is ideal for creating fused zirconia and other products, where standard zircon cannot be used.

PYX is the second-largest zircon producing mining company globally in terms of JORC-compliant zircon resources, following its acquisition of the Tisma mineral sands deposit in Central Kalimantan Province, Indonesia, in mid-February 2021.

PYX's Chairman and Chief Executive Officer, Oliver Hasler, said: *"PYX's strategy is paying off and could not come at a better time when there is a lack of resources, increasing demand for premium zircon and higher zircon prices. We will now focus on boosting our capacity in order to meet market demand and increase our global market share."*

24 May 2021



Mandiri tenement

***** 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) is a major global producer of premium zircon listed on the National Stock Exchange of Australia. 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 zircon producing mining company globally by zircon resources. Determined to mine responsibly and invest in the wider communities where we operate, PYX Resources is committed to fully develop 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.

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 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.

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 mineral sands deposit and Tisma mineral sands deposit total 10.5Mt of contained zircon resource.