

2021 Half Year Results

Robust Demand Result in Increased Sales Volumes & Price

HIGHLIGHTS

- Strong results, with an EBITDA improvement of 88% on the back of solid business fundamentals
- Robust demand saw the Company boost y-o-y production 25% and sales 21%, while the price of premium zircon increased by US\$355 to US\$1,750 per tonne
- Became the second-largest producing mining company in the world in terms of JORC-compliant zircon resources following the acquisition of Tisma Development (HK) Limited, a world-class, fully licensed mineral sands deposit & raised US\$8.4m to accelerate its development
- Remained net debt free, with a closing cash position of US\$9.7m
- Exploring the possibility of a dual listing on the Main Market of the London Stock Exchange

PYX Resources Ltd (PYX or the Company) (**NSX: PYX**) has lodged its Half Year Results for the six months ending 30 June 2021. Just over one year after listing on the National Stock Exchange of Australia, PYX is pleased to report solid financial and operational results on the back of strong business fundamentals. Customer demand continues to increase to pre-pandemic levels, with particular interest in PYX's zircon due to its superior quality that makes it ideal for producing fused zirconia used for different high-tech applications such as electric vehicle batteries, solar cells, semiconductors, and technical ceramics.

Notably, the Company implemented three price increases for its premium zircon during the half-year, resulting in a US\$355 per tonne increase during 2021 to date. The price increases reflect the expected general lack of premium zircon supply globally and the very strong increase in demand, particularly from China.

During the half-year, PYX sold 3,250 tonnes and produced 3,501 tonnes of premium zircon, resulting in a year-on-year revenue increase of 21%, while production grew by 25%. Sales volume has shown a strong year-on-year growth of 14%, while maintaining a tight finished goods inventory.

Commenting on the Company's achievements in HY21, PYX Resources' Chairman and Chief Executive Officer, Oliver B. Hasler, said: *"As these results highlight, the Company's performance during the six months has exceeded our objectives and demonstrate our commitment towards advancing our mining development plan, supporting our global customers and delivering value to our shareholders. The continuous price increase of premium zircon comes as no surprise as economies worldwide bounce back to pre-pandemic levels. With a significantly enlarged resource profile following the acquisition of the advanced Tisma deposit, we are positioned to boost capacity in order to meet this demand."*

The underlying EBITDA for the Company was reduced to only a negative US\$661k, a significant achievement compared to last year. The Company reported a negative EBITDA of US\$1,255k against a negative EBITDA of US\$10,606k in H1 2020; this is as a result of continuous tight cost controls as well as the absence of listing costs during the period.

In the first half of 2021, PYX recorded a net loss after tax of US\$1,194k against a loss of US\$10,589k from the previous corresponding period. The improvements are due to the increased revenue resulting from higher sales volumes and average prices despite the COVID-19 pandemic.

PYX Resources remains debt free, with a net cash at the end period of US\$9.7m, up US\$6.2m from the previous period, mainly contributed by the private placement of US\$8.4m.

US\$	H1 2021	H1 2020	% change
Sales revenue	\$ 4,660,223	\$ 3,861,269	21%
Cash cost of production	\$ (4,008,639)	\$ (3,097,979)	-29%
EBITDA	\$ (1,254,832)	\$ (10,605,899)	88%
EBIT	\$ (1,346,969)	\$ (10,655,299)	87%
Net loss before tax	\$ (1,352,830)	\$ (10,673,767)	87%
Net loss after tax (NLAT)	\$ (1,194,190)	\$ (10,588,668)	89%
Underlying EBITDA	\$ (660,567)	\$ (715,759)	8%
US\$	At 30 Jun 2021	At 31 Dec 2020	% change
Cash	\$ 9,717,641	\$ 3,509,395	176.9%
Total assets	\$ 86,971,936	\$ 6,166,204	1310.5%
Total liabilities	\$ (2,262,179)	\$ (1,645,355)	-37.5%

Results Summary

In February this year, PYX completed its acquisition of the entire capital of Tisma Development (HK) Limited, which made it into the second-largest producing mining company in the world in terms of JORC-compliant zircon resources. PYX now controls 263MM tonnes of JORC-compliant resources, with 10.5M tonnes of contained zircon. The Company raised US\$8.4m (before administrative, legal and placement fees) in June 2021 to principally accelerate the development of this exciting new zircon-rich tenement. Activities include investment in its in-house mining at the Tisma deposit, together with the installation of a Mineral Separation Plant and the required investments in logistics.

On a corporate level, in May 2021, PYX Resources announced that it was exploring a possible dual listing of the Company's ordinary shares on the Standard Segment of the Official List of the Financial Conduct Authority ("FCA") and to trading on the Main Market of the London Stock Exchange ("LSE") (the "LSE Listing") to enhance its international profile and increase share liquidity. This is ongoing.

In terms of the COVID-19 crisis, the Company moved quickly to ensure early preventative measures were put in place to ensure the welfare of its staff, contractors, and the communities it works with. **Oliver Hasler commented:** "We are pleased that the measures we took at the onset of COVID-19 were effective in protecting staff and minimising disruption to operations." Also, PYX is very pleased to report that it has been very successful in managing work-related accidents with zero lost time injuries.

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2021 Half Year Results Conference Call

A conference call for equity market participants will take place on Tuesday September 9th 2021 at 6pm (AEST). All participants wishing to listen in to the call must pre-register online before they can receive the dial-in number. Pre-registration can be done by email to ir@pyxresources.com, by sending name, title, company, email and phone number.

***** 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,

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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.