

## 2021 Investor Newsletter

**PYX Resources Ltd** (PYX or the Company) (**NSX: PYX | LSE: PYX**), is delighted to present our first investor newsletter for what has been a truly transformational year for our company. We started 2021 with ambitious plans to expand and meet increasing customer demand by boosting our capacity at our strategically located projects in Indonesia – pleasingly all these milestones have been met, and more.

At the beginning of the year, we completed the acquisition of a second deposit in Indonesia, the Tisma tenement. Following the acquisition, PYX became the world's 2<sup>nd</sup> largest publicly traded producing mineral sands company by zircon resources with a JORC compliant mineral resource of 263.5 MM tonnes.

In June, we completed a successful placement raising of AU\$11.2m/£6.1m (gross of expenses), which will enable us to accelerate development at the Tisma project, as well as for general working capital purposes.

The second half was equally as momentous. PYX was successful in our ambitions to dual list on the Main Market of the London Stock Exchange, which took place in November.

We also increased the production capacity at our Mandiri Minerals Separation Plant to 24,000 tpa, which we announced in December. The new capacity will enable us to start the production of rutile, leucoxene and ilmenite and is part of our five-year plan focused on ramping up production capacity at Mandiri.

Alongside this, we have continued to diversify our blue-chip customer base and there is scope to increase volume as well as reduce costs. This was all set against a backdrop of strong demand but limited supply, resulting in four zircon price increases during the year. Notably, as well as the more traditional markets, we are also experiencing increased demand from the high-tech sector, as high-grade zircon is used in electronics, semiconductors, solar and fuel cells, ceramics, fibre optics and energy power generation. Zircon is a critical mineral for the major economies, so with increasing applications in energy efficient markets, it will be key in the global transition towards clean energy.

We also continued to demonstrate commercial successes in 2021, including the securing of new business with Fujian Sanxiang Advanced Materials Co., Ltd (Fujian Sanxiang), a leading producer of fused zirconia based in China. Fused zirconia is a crucial raw material in the production of zirconium metal, which has important applications in nuclear power and aerospace. We also signed our third offtake agreement - a 3,600t two-year offtake agreement with India-incorporated Microtech Zircon, a member of Delta Tiles, a group of companies which fall under the brand name Geo Gres.

### HIGHLIGHTS OF 2021

- Strengthened our portfolio through the acquisition of a 2<sup>nd</sup> tenement (Tisma) in Central Kalimantan, Indonesia boosting PYX's contained zircon resources by 75%
- Dual listed on the Main Market of the London Stock Exchange which raised the Company's profile and is expected to broaden PYX's shareholder base plus increase its liquidity

21 December 2021

- Completed a fundraise of AU\$11.2m (£6.1m) in June 2021
- Achieved a 33% increase in production capacity at Mandiri's Minerals Separation Plant (MSP) to 24,000 tpa, allowing for future production of rutile, leucoxene and ilmenite
- Delivered four zircon price rises, increasing prices by US\$905 per tonne, with the latest pricing exceeding US\$2,300 per tonne
- Signed third offtake agreement: a two-year offtake agreement with Microtech Zircon for 3,600t per annum
- Started supplying fused zirconia industry for high tech applications
- Launched PYX Cares and completed projects in a local elementary school and national blood donation
- Vaccinated 100% of its personnel against Covid-19



As a company we are determined to mine responsibly and, with that in mind, we have established the 'PYX Cares' initiative, to be a force for good in the wider communities in which we operate. This initiative was inspired by the Sustainable Development Goals set out by the United Nations Development Program. This year, we completed PYX Cares initiative projects including installing a new drainage system at the 1 State Elementary School (SDN) in Tumbang Lampahung located in the Kuala Kurun District near our flagship Mandiri mine. We also participated in the commemoration of Indonesian National Blood Donor Day by contributing to the blood donation social activities under the theme "Give Blood, Save Life" at our factory in the Tumbang Empas village.

## YEAR AHEAD

Strong progress has been made this year, but there is plenty more to do as the Board continues to develop PYX for the benefit of all shareholders. Set against the ongoing challenges of a global pandemic, everyone in the Company has worked tirelessly, and our Chairman and Chief Executive, Oliver Hasler, would like to sincerely thank the team for all their efforts and our shareholders for their continuous support.

Additional acquisitions will be considered in the year ahead, and production expansion is set to accelerate at Mandiri and Tisma as part of the Company's five-year plan, also allowing titanium dioxide minerals sales in the near future.

We would like to wish you a happy and prosperous New Year and we look forward to updating you on the Company's progress.

**\*\*\* ENDS \*\*\***

**For more information:**

ir@pyxresources.com  
Tel.: +61 2 8823 3132

*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 major global 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 2nd 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 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.

**Compliance Statement**

The Mandiri mineral sands deposit hosts a 126.3Mt inferred mineral resource. The Company originally announced this resource in its Prospectus released on 20 February 2020 (Prospectus). The Tisma mineral sands deposit hosts a 137.2Mt inferred mineral resource. 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 (Announcement). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and Announcement in respect of the mineral resource. All material assumptions and technical parameters disclosed in the Prospectus and Announcement that underpin the estimates continue to apply and have not materially changed.