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## Share Placement to US Institutional Investor

**PYX Resources Ltd (PYX or the Company) (NSX: PYX | LSE: PYX)** is pleased to announce a placement to a US-based institutional investor. The share placement consists of an initial investment of US\$4.5 million by L1 Capital Global Opportunities Master Fund (“**L1**” or “**Investor**”). A further two investments of US\$4.5 million each (totalling US\$9.0 million) may be made by L1 subject to mutual agreement between PYX and L1.

The receipt of these funds will allow PYX to accelerate its previously announced plans to grow its production volume at its Mandiri deposit and start planning operations at the Tisma deposit. The placement will be used for CAPEX and working capital.

**Commenting on the financing, PYX Resources’ Chairman and Chief Executive Officer, Oliver B.**

**Hasler, said:** *“Timing for this funding could not be better, with premium Zircon prices continuing to grow amid the lack of supply. The financing today further vindicates our decision to dual list on the LSE and provides the necessary funding to accelerate our previously announced growth plans. With the receipt of these funds, I look forward to delivering on the next phase of our growth trajectory.”*

The placement consists of an equity investment in PYX by L1 of US\$4.5 million as a prepayment for US\$5 million worth of PYX shares. L1 will specify the time(s) of issuance(s) of shares (the “**Placement Shares**”) no later than 24 months following the funding date. Each date on which Placement Shares are issued is a “**Share Issuance Date**”. The subscription price for the Placement Shares will initially be 130% of the average of the 5 daily VWAPs on the applicable exchange (NSX or LSE) preceding the applicable funding date. Commencing 30 days after the funding date, L1 may elect to subscribe for the Placement Shares at 95% of the average of 3 daily VWAPs on the applicable exchange over the 15 trading days prior to the Share Issuance Date (“**Subscription Price**”). If further subsequent investments are mutually agreed, they are subject to the same terms.

The Company will make an initial issuance of 3,000,000 shares to the Investor (the “**Initial Shares**”) at the time of the funding of the initial US\$4.5m investment. If any of these Initial Shares are not applied towards the aggregate number of the Placement Shares to be issued by the Company, after the obligations of the parties under the agreement have been satisfied, the Investor must make a further payment to the Company equal to the value of these shares determined as 102% of the Subscription Price at the time of the payment.

On each funding date, the Company will issue to the Investor a number of Options equal to 40% of the Prepayment Amount (being US\$4.5 million for the initial placement) divided by the average of the 5 daily VWAPs preceding the applicable funding date. Each option will have a strike price equal to 130% of the average of the 5 daily VWAPs preceding the applicable funding date and expire 3 years from the applicable funding date.

A summary of the key terms of the placement are set out in Annex A below.

The issue of securities pursuant to the terms of the placing are within PYX's existing capacity pursuant to NSX Listing Rule 6.25. Application will also be made for admission of the Initial Shares to NSX and the Standard Segment of the Official List and to trading on the London Stock Exchange plc's main market for listed securities. Admission to trading of the Initial Shares is expected to be on or around 25 March 2022.

Following Admission, the Company will have 434,703,116 ordinary shares in issue, each with one voting right. Therefore, the total number of voting rights in the Company is 434,703,116 and this figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest, in the share capital of the Company under ASIC regulatory requirements under the Corporations Act 2001 (Corporations Act) relating to Corporate Control and the Disclosure of Interests and the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

EAS Advisors, LLC, acting through Odeon Capital Group LLC, member of FINRA/SIPC/MSRB/NFA, acted as the Company's advisor for the funding.

### **Annex A – Summary of Terms of Placement**

#### **Investment**

US\$13.5 million by way of the following placements:

- the Investor will immediately prepay a lumpsum of US\$4.5 million for Placement Shares worth US\$5.0 million; and
- On mutual consent, up to an additional US\$9.0 million.

#### **Shares Issuance**

The Investor will specify the time(s) of issuance(s) of shares (the "Placement Shares") no later than 24 months following the date of the applicable funding date, unless extended pursuant to the agreement. Each date on which shares are issued is a "Share Issuance Date". Each requested issuance of shares cannot be lower than GBP 250,000, except the last issuance request.

#### **Subscription Price**

Initially 130% of the average of the 5 daily VWAPs (on the applicable exchange) preceding the applicable funding date. Commencing 30 days after the applicable funding date, the Investor may elect to subscribe for the Placement Shares at 95% of the average of 3 daily VWAPs over the 15 trading days (on the applicable exchange) prior to the Share Issuance Date.

#### **Leak out**

The Investor will not sell more than 20% of the monthly trading volume in any month.

#### **Options**

For each of the applicable funding dates, the Company will issue to the Investor a number of Options equal to 40% of the prepayment amount divided by the average of the 5 daily VWAPs preceding the applicable funding date. Each option will have a strike price equal to 130% of the average of the 5 daily VWAPs preceding the applicable funding date and expire 3 years from the applicable funding date.

**Initial Issuance**

The Company will make an initial issuance of 3,000,000 shares to the Investor at the time of the funding of the initial investment. These shares may be counted as Placement Shares by the Investor (and therefore reduce the number of Placement Shares issued to the Investor overall under the agreement). If any of these Shares are not counted as Placement Shares after the obligations of the parties in respect of the agreement have been satisfied, the Investor must make an additional payment to the Company equal to the remaining number of shares multiplied by 102% of the applicable Subscription Price as calculated at the time of the payment.

**Short Positioning**

From the date of this agreement and for so long as any of the Placement Shares have not been subscribed to, neither the Investor nor any of its Affiliates shall borrow Issuer Shares from any third party to open any short positions in the Issuer Shares.

**Purchase at End of Term**

To the extent that any Shares remain unissued at the 24-month anniversary of the date of the prepayment, such Shares will be mandatorily issued at that time, based on the Subscription Price applying at the time.

**Inability to Issue Shares**

If the Company does not, or is unable to, issue Placement Shares to the Investor, the Investor may cancel the subscription for shares or require the Company to pay an amount the greater of:

- the value of the Placement Shares which is determined by multiplying the shares required to be issued by the closing bid price of the shares on the trading day prior to the date on which the shares were required to be issued; and
- 105% of the total amount owing to the Investor under the agreement.

Subject to the above, where the issue of shares under the agreement is prevented under NSX Listing Rule 6.25 or any equivalent rule under UK Requirements, the Company must use its best endeavours to obtain shareholder approval to issue those shares.

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

**For more information:**

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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 | LSE: PYX) is a 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 is committed to fully developing 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.

## About EAS Advisors

EAS Advisors, LLC is a private, New York-based boutique corporate advisory firm providing a unique service to small and mid-cap companies operating predominantly in the natural resource and commodity sectors. The foundation of EAS's business is built on industry knowledge, capital markets insights and access to a deep pool of traditional and alternative sources of capital. In addition to exposure to US investors, EAS provides companies with access to local industry contacts to enhance their growth and expansion. EAS operates under the broker dealer license of Odeon Capital Group LLC - member of FINRA/SIPC/MSRB/NFA. More details on EAS Advisors can be found on EAS's website at <https://easadvisors.com/>

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Announcement contains forward-looking statements and forward-looking information within the meaning of applicable Australian and UK securities laws, which are based on expectations, estimates and projections as of the date of this 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 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 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 and Tisma mineral sand deposits total 10.5 Mt of contained zircon within a total of 263.5 Mt of heavy mineral sands.