

2021 Full Year Results and Publication of Annual Report Strong Revenue Growth, Debt Free with Solid Fundamentals

HIGHLIGHTS

- Strong revenue growth on the back of solid business fundamentals
- Year ended with PYX's zircon prices at US\$2,465 per tonne
- Premium zircon revenue growth of 39% amid price and volume increase
- 2% zircon sales volume growth and strong production increase (10% year on year)
- Robust customer demand across PYX's end markets
- Limited negative operating cash flow as a result of tight control on general and administrative expenses (Underlying EBITDA negative US\$794k)
- Debt free, with a closing cash position of US\$6.6 million
- 2022 is projected to be another very strong commodity up-cycle. This represents a great opportunity for PYX to boost capacity and grow market share.

PYX Resources Ltd (PYX or the Company) (**NSX: PYX | LSE: PYX**) the second-largest publicly listed zircon producing mining company globally by zircon resources, announces its full-year results for 12 months ending 31 December 2021 (Financial Year 2021).

It has been a truly transformational year for the Company. In 2021, PYX delivered on its ambitious plans to expand - and meet increasing customer demand - by boosting capacity at its strategically located projects.

At the beginning of the year, PYX completed the acquisition of a second deposit in Indonesia, the Tisma tenement. Following the acquisition, PYX became the 2nd largest publicly traded producing mineral sands company by zircon resources globally. In June, the Company completed a successful placement raising AU\$11.2m/£6.1m (gross of expenses), with the goal of accelerating production growth, it subsequently increased capacity at its Mandiri's Minerals Separation Plant (MSP) by 33% to 24,000 tpa, allowing also for future production of rutile, leucoxene and ilmenite.

In November PYX successfully dual-listed on the Main Market of the London Stock Exchange, a move that was strategically timed given the strong upcycle premium zircon is experiencing. The LSE is a leading destination for natural resources companies and has a strong network of brokers, analysts and institutional investors with a deep knowledge of the global mineral sands market. Accordingly, the LSE listing will provide a platform to broaden our investor base to include institutional and other mining focused investors, while increasing the liquidity of the Company's shares.

Triggered by increased demand, lack of supply and low inventories, PYX delivered four premium zircon price rises during 2021, with the latest pricing exceeding US\$2,800 per tonne. The Australian Critical Minerals Prospectus 2021 publication classified zircon and titanium (rutile and ilmenite) as vital for the economic well-being of the world's major and emerging economies - the supply of which, is at risk due to geological, geopolitical issues, trade policy or other factors.¹ The Company

also signed a third offtake agreement with Indian based Microtech for 3,600 tonnes per annum and started supplying the fused zirconia industry for high tech applications.

Full year 2021 sales increased 2% to 6,855 tonnes from 6,737 tonnes in 2020 and production volumes rose by 10% to 7,233 tonnes from 6,555 tonnes with a goods inventory of just 18 days.

PYX also performed strongly in the final quarter thanks to an uplift in premium zircon production and sales volume growth, supported by ongoing price increases. In Q4 2021, PYX produced 2,192 tonnes and sold 2,105 tonnes of premium zircon - resulting in a year-on-year increases of 33% and 13%, respectively.

Production wise, the year also ended on a very positive note, with December achieving a step-changing 1,219 tonnes, representing a very impressive year on year production growth of 124%. This major growth spurt was attributable to the higher feed of heavy mineral concentrate, in combination with the expanded processing capacity during the reporting period.

The Company also recorded strong revenue growth of 39% to US\$12.4 million resulting from a steady production ramp-up. This was accompanied by sales volume growth of 7k tonnes during FY21, thanks to improved workforce productivity and our expanded customer base.

Zircon demand remained strong during 2021 with PYX's order book reaching the highest levels since production started in 2015, as a result of PYX's superior quality, the unique whiteness of Kalimantan zircon, and rapid growth in the Chinese market.

PYX's underlying EBITDA was negative US\$794k, compared to a negative of US\$1.2 million in FY20, marking a significant achievement considering the jump in in general administrative costs resulting from growing the Company.

The Company's net loss after tax for the period totalled US\$4.3million compared to US\$13.8 million in 2020, mainly as a result of an improved operations result and less non-recurring items.

The resulting cash and cash equivalent balance for the period was US\$6.6 million, up from US\$3.5 million in the previous year. The increase was due mainly to June's fundraise less expenses related to the acquisition of Tisma, LSE listing costs plus the CAPEX required to bring the installed plant capacity at Mandiri up to 24kt per annum. PYX remains debt free, as planned.

The Company also continued with its PYX Cares program, approaching sustainability with five overarching principals: people, planet, prosperity, peace and partnership. During 2021, PYX focused on contributing to quality education, clean water and sanitation, decent work, responsible consumption and production, climate action, and building partnerships to furthering these goals.

PYX's total recordable injury frequency rate since 24 January 2020 is zero. Sadly, we reported some COVID-19 cases among our personnel during FY'21. Our staff were all cared for during their recovery from the illness and we reported no COVID-19 fatalities. In partnership with the local health authorities PYX took the initiative in October 2021 of leading a vaccination campaign to protect all staff employed at all levels of the company including the office, factory and mine in Kalimantan. 100% of PYX employees have now received their second dose of the COVID-19 vaccine.

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Commenting on the Company's achievements in FY21, PYX Resources' Chairman and Chief Executive Officer, Oliver B. Hasler, said: *"I am very pleased with the strong progress made in such a challenging year as 2021, setting the base for strong growth in the coming years. Set against the ongoing challenges of a global pandemic, everyone in the Company has worked tirelessly, and I would like to sincerely thank our shareholders for their continuous support.*

¹ Australian Critical Minerals prospectus 2021

(<https://www.austrade.gov.au/news/publications/australian-critical-minerals-prospectus-2021>)

2021 Full Year Results Conference Call

A conference call for equity market participants will take place on Friday 18 March 2022 at 7pm AEDT / 8am GMT. All participants wishing to listen in to the call must pre-register [here](#) before they can receive the dial-in number.



***** 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 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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This NSX 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 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 and Tisma mineral sand deposits total 10.5 Mt of contained zircon within a total of 263.5 Mt of heavy mineral sands.