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PYX Resources Limited / EPIC: PYX / Market: Standard Listing / Sector: Mining

11 March 2022

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 ***

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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.