

PYX Starts Production and Sales of Ilmenite

HIGHLIGHTS

- PYX starts producing natural ilmenite from its Mandiri deposit
- Ilmenite is used for the production of synthetic rutile TiO₂ feedstocks
- TiO₂ feedstock demand is forecasted to exceed supply and are considered to be critical minerals
- TiO₂ is sold for end use in pigment, welding and many other applications
- PYX expands portfolio of products, which include premium zircon, rutile, leucoxene and ilmenite
- PYX increased its installed capacity at its Mineral Separation Plant to 24ktpa

PYX Resources Ltd (PYX or the Company) (**NSX: PYX | LSE: PYX**), is pleased to announce that it has started production and sales of ilmenite from its Mandiri deposit in Central Kalimantan. On 7 December 2020 PYX received the approval for Production Operation Plan and Budget 2021 from the Energy and Resource Service Department of the Government of the Province of Central Kalimantan which included the mining operation, processing, marketing and shipping of zircon, rutile and ilmenite.

During the month of November 2021 PYX increased its production capacity at its Mineral Separation Plant (MSP) to 24,000 tpa, allocating the new installed capacity for the production of rutile, leucoxene and ilmenite.

Zircon and titanium dioxide minerals – such as rutile and ilmenite – belong to a group of minerals widely known as ‘Heavy Mineral Sands’.

Ilmenite, FeTiO₃, is a common mineral in nature. It is a weakly magnetic, black or steel-gray solid. From a commercial perspective, ilmenite is the most important ore of titanium. Ilmenite is used to produce synthetic rutile for feedstocks to produce titanium dioxide (TiO₂) pigment, which accounts for around 90% of global titanium feedstock consumption.

The Australian Government identified rutile and ilmenite as critical minerals among 24 metals, non-metals and minerals, that are considered vital for the economic well-being of the world’s major and emerging economies, yet whose supply may be at risk.¹

Titanium dioxide is a dark-coloured mineral which, with further processing, becomes a white, opaque powder. Titanium pigment is by far the largest end use of titanium feedstocks, accounting for around 90 per cent of demand. Average annual growth of this segment is broadly in line with global GDP growth. Titanium metal has experienced stronger growth with increasing use in body and engine parts for aeronautics, defence applications, biomedical and sporting goods. Welding flux cord wire is used in ship building and steel construction applications.

¹ Australian Critical Minerals prospectus 2021

27 June 2022

Titanium feedstock production represents an approximately US\$4.5 billion per annum industry.

Commenting on the start of ilmenite production, PYX's Chairman and Chief Executive Officer Oliver Hasler, said: *"PYX Resources is extremely pleased to have started the production of ilmenite, which is an important component of our strategic plan. Together with our premium zircon, rutile and ilmenite we will better serve our customers around the world and have an important impact to our profitability".*



PYX's Ilmenite

***** 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 | 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 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.