

8th November 2022

Pyx Resources Limited
(“PYX” or the Company”)

Operations Update Q3 2022
Continued Strong Performance & Growth

SUMMARY

	Q3 '22	Q3 '21	Var	YTD '22	YTD '21	Var
Zircon Produced	2.5kt	1.5kt	62%	6.8kt	5.0kt	35%
Zircon Sales	2.3kt	1.5kt	50%	6.1kt	4.8kt	29%
Titanium Dioxide Minerals Produced	1.0kt	-		6.0kt	-	
Titanium Dioxide Minerals Sold	0.2kt	-		0.2kt	-	
Value Per Tonne Zircon (USD)	2,606	1,737	50%	2,697	1,530	76%
Total Produced	3.5kt	1.5kt	129%	12.7kt	5.0kt	153%
Total Sold	2.5kt	1.5kt	66%	6.4kt	4.8kt	34%

Commenting on the Company’s achievements in Q3 2022, PYX Resources’ Chairman and Chief Executive Officer, Oliver B. Hasler, said:

“We continue to fast-track PYX’s aggressive expansion strategy to cement its position as a key international supplier of premium zircon and take advantage of the strong mineral sands market. Accordingly, the fruits of our labours are increasingly visible, with production and sales of our premium zircon reaching new heights, and further value being achieved with the titanium dioxide minerals by-products. The remainder of 2022, will, we believe, continue in the same positive vein.”

PYX Resources Ltd (NSX: PYX | LSE: PYX), the world’s second largest publicly-listed zircon producer by zircon resources,¹ is pleased to provide an operational update for the nine months ended 30 September 2022 (“Q3 2022” or “the period”).

During the period, the Company performed strongly with an increase in mineral sands production including the commencement of rutile and ilmenite production, sales volume growth and robust sales prices.

In the nine months ended 30 September 2022, PYX produced 12.7kt and sold 6.4kt of premium zircon, rutile, and ilmenite, resulting in a year-on-year (“YoY”) production increase of 153% and an overall 34% rise in sales. Premium zircon production increased by 35% YoY to 6.8kt and sales grew by 29% to 6.1kt. The Company expanded its finished goods inventories to 6.8kt; this growth is attributable

¹ According to publicly available information during the financial year ended December 2020

to the commencement of rutile and ilmenite production, which the Company plans to export upon the granting of its export licence.

In Q3 2022, the Company achieved record premium zircon sales of 2.3kt, with production standing at 2.5kt and resulting in an increased inventory. This represents an impressive YoY sales volume increase of 50% and 62% increase in production.

In December 2021, PYX completed the first phase of an expansion programme, which boosted capacity at its Minerals Separation Plant (“MSP”) by 6ktpa or 33% to 24,000tpa. This enabled it to add titanium dioxide minerals, rutile and ilmenite, to its sales profile, which have large, fast-growing end markets. In particular, demand has grown for titanium metal due to its increased use in body and engine parts for aeronautics, defence applications, biomedical and sporting goods, as well as welding flux cord wire used in ship building, and steel construction. Market commentators suggest that titanium feedstock production as an industry is worth approximately US\$4.5 billion each year.

The Company achieved robust, stable prices for its products, with ongoing price increases in H1 2022 and a stabilisation of prices in Q3 2022; pricing for Q3 2022 was up 50% compared with Q3 2021.

PYX continues to receive strong investor support. Post period end, on 4 October 2022, the Company announced a £20 million investment commitment from the international investment firm GEM Global Yield LLC SCS. The proceeds will extend the Company’s effort to upgrade its mining operations and increase its production volumes, which enables PYX to continue its growth trajectory.

Market Environment

Over the past quarter, the mineral sands market has been largely supported by China’s demand for imported ilmenite. Although, demand softened in the build up to the mid-autumn holiday period, this was largely offset by stronger demand from Europe.

Demand for minerals sands is expected to ease in Europe as a result of the unfolding energy crisis which is putting cost pressure on a myriad of manufacturing sectors. In Q4, weakness in Europe is expected to be countered partially, if not fully, by an uptick in Chinese manufacturing activity.

While we expect some downward price movements in mineral sands products to extend to the year-end, the structural supply gap in the market, the prolongation of supply chain constraints and the reactivation of the Chinese manufacturing sector indicates that the impact will be relatively minor.

‘PYX Cares’ Programme

PYX continued with its “PYX Cares” programme, its blueprint for making a meaningful difference to the communities in which it operates and achieving sustainable growth. To further its goals based on the five pillars of the programme, People, Planet, Prosperity, Peace and Partnership, during 2022, the Company has launched projects on quality education, clean water and sanitation, viable employment, and building partnerships.

Additionally, on 2 August 2022, PYX joined the United Nations Global Compact initiative (“UN Global Compact”), a voluntary leadership platform for the development, implementation, and disclosure of responsible business practices. The membership aligns with the “PYX Cares” sustainability programme, based on the 17 Sustainable Development Goals set out by the United Nations Development Programme, which include: No Poverty, Zero Hunger, Clean Water and Sanitation,

Climate Action, Gender Equality, and Quality Education among others.



PYX's Mandiri Mining Field Unit

***** 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, PYY 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.