

Operational Update FY 2022 Building Strong Fundamentals

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 Full Year 2022 ended 31 December 2022 (“FY 2022” or “the Period”).

Highlights

- Strong increase in premium Zircon production and sale volumes with year-on-year (“YoY”) production increasing to 9.1kt, a 25% increase as compared to FY 2021, and YoY sales increasing to 9.1kt, a 33% increase as compared to FY 2021.
- The Company commenced its production of rutile in January 2022 and ilmenite in June 2022 (together “Titanium Dioxide Minerals”) with joint production volumes of 7.5kt and sales volumes of 0.3kt.
- Premium Zircon prices continue to increase with a YoY price increase of 36% as compared to FY 2021.
- Commenced warehouse operations at Kuala Lumpur’s Port Klang to reduce shipping times and costs to end-users.
- Appointed highly regarded Geologist and Indonesian Executive Dr. Raden Sukhyar to its Board as a Non-executive Director

During the Period, the Company performed strongly with a significant increase in mineral sands production including the commencement of rutile and ilmenite production, sales volume growth and robust sales prices. Included below is a summary view of the Company’s operational performance.

	FY 2022	FY 2021	Variance
Zircon Produced	9.1kt	7.2kt	+25%
Zircon Sales	9.1kt	6.9kt	+33%
Titanium Dioxide Minerals Produced	7.5kt	-	
Titanium Dioxide Minerals Sold	0.3kt	-	
Yearly Average Price Zircon (USD/t)	2,457	1,811	+36%
Total Produced	16.6kt	7.2kt	+129%
Total Sold	9.5kt	6.9kt	+38%

In the 12 months ended 31 December 2022, PYX produced 16.6kt and sold 9.5kt of premium zircon, rutile, and ilmenite, resulting in a YoY production increase of 129% and an overall 38% rise in sales volume. Premium zircon production increased 25% YoY to 9.1kt and sales grew 33% to 9.1kt. The Company expanded its finished goods inventories to 7.3kt; this growth is mainly attributable to the commencement of rutile and ilmenite production, which the Company plans to export upon the granting of its export licence.

A number of key announcements were made by the Company during the final quarter of 2022, including securing £20 million investment commitment to accelerate its growth plans, which added two notable US investors to its share register. Additionally, PYX appointed highly regarded Geologist and Indonesian Executive Dr. Raden Sukhyar to its Board as a Non-executive Director, and commenced operations at Kuala Lumpur's Port Klang to reduce shipping time and costs to end-users.

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

"2022 was a highly successful year for PYX as we continued to set the foundation for long term growth across several reporting areas. The 129% increase in year-on-year ("YoY") production and 38% rise in sales volume is a remarkable achievement and a testament to the quality of our assets, system and team. We are also pleased to have commenced production of titanium dioxide by-products, diversifying our offering and providing an additional revenue stream. With strong global demand forecast for our products and aggressive growth plans, we are well positioned to deliver shareholder value and I look forward to an exciting 2023."

Market Environment

Zircon, which has been in use for thousands of years but is labelled as one of the most important metals you have never heard of, is making a resurgence as a critical material used across a wide range of high-tech applications including nuclear power, aerospace and catalytic converters. Notably, zirconium is considered a crucial mineral by the Australian Government.²

Over the medium term, the major factors driving zircon market's growth are its increased use in foundries and refractories, the increasing number of nuclear power stations in the Asia-Pacific, and the accelerating usage of surface coatings. The most significant increase in nuclear generation in Asia-Pacific is expected in China (11 stations are under construction and 43 are being planned) and India (7 stations are under construction, and 21 reactors are expected to be brought online by 2031).³

Accordingly, the global zirconium market is projected to register a CAGR of over 5% in terms of volume during 2022-2027.⁴ China dominated the markets studied, accounting for about 50% of the total revenue, and it is expected to witness the fastest CAGR over the forecast period.

Growth in PYX's by-products, titanium dioxide minerals, is equally robust with the titanium market expected to grow at a rate of 6.4% between 2021 to 2028.⁵ The use of titanium as pigments in paints and coatings formulation is one of the major factors driving this growth as well as its utilisation in the aerospace, aviation, shipping, offshore mining, and petrochemicals industries owing to its durability, strength and exceptional chemical resistance abilities.

'PYX Cares' Programme

Sustainability is a critical pillar for PYX in its daily operations. The Company continued to prioritise environmental sustainability alongside partnerships with the local communities pursuing similar goals. Looking ahead, PYX pledges to promote economic growth through meaningful investments to continue the positive economic and industrial development in Kalimantan.

During 2022, PYX was involved in several major community programmes: it successfully vaccinated 100% of its employees against Covid-19; it is planting 10,000 Bengkirai trees at the Mandiri mining tenement; it oversaw blood donation efforts in Kalimantan; and it supported both the local school and the Borneo Orangutans Survival Foundation.

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

² Australian Government, Australian Critical Minerals Prospectus 2021 <https://bit.ly/3qfYlnX>

³ The World Nuclear Association <https://world-nuclear.org/information-library/current-and-future-generation/plans-for-new-reactors-worldwide.aspx>

⁴ <https://www.mordorintelligence.com/industry-reports/zirconium-market>

⁵ <https://www.databridgemarketresearch.com/reports/global-titanium-market>

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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 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.