

4 May 2023

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

Operations Update Q1 2023
Continued Strong Performance in Improving Critical Minerals Markets

PYX Resources Ltd (NSX: PYX | LSE: PYX), the world’s second-largest publicly listed zircon producer by zircon resources, is pleased to provide an operational update for the three months ended 31 March 2023 (“Q1 2023” or “the period”).

SUMMARY

	Q1 2023	Q1 2022	Variance
Production			
Zircon Produced	1.9kt	1.7kt	12%
Titanium Dioxide Minerals Produced	0.6kt	0.3kt	127%
Total Produced	2.5kt	2.0kt	29%
Sales			
Zircon Sales	1.3kt	1.8kt	-27%
Titanium Dioxide Minerals Sold	-	-	-
Total Sold	1.3kt	1.8kt	-27%
Value Per Tonne (USD)	2,031	2,554	-20%
Inventories			
Zircon Inventory	0.6kt	0.3kt	+136%
Titanium Dioxide Minerals Inventory	7.5kt	0.3kt	+2,506%
Total Inventory	8.1kt	0.5kt	1,406%

During the period, the Company performed strongly with an increase in both mineral sands and premium zircon production.

In Q1 2023, PYX produced 2.5kt of premium zircon, rutile and ilmenite (together “Titanium Dioxide Minerals”), resulting in a year-on-year production increase of 29% (Q1 2022: 2.0kt).

Premium zircon production in Q1 2023 increased by 12% to 1.9kt (Q1 2022: 1.7kt) with sales decreasing by 27% to 1.3kt (Q1 2022: 1.8kt). The slight reduction in zircon sales for Q1 2023, when compared to Q1 2022 was a result of temporary delays in shipping causing the sales to fall into the following accounting period. Had these sales occurred in Q1 2023 the Company would have exceeded premium zircon sales when compared to Q1 2022. Accordingly, the Company ended the period with 604t of premium zircon inventory (Q1 2022: 256t).

During the period, the Company expanded its finished goods inventories to 8.1kt, a 1,406% increase on the prior year (Q1 2022: 0.5kt). This included 7.5kt of titanium oxide which the Company will sell once it receives its export licence from the Indonesian Trade Department, which is expected imminently.

Commenting on the Company's achievements in Q1 2023, PYX Resources' Chairman and Chief Executive Officer, Oliver B. Hasler, said:

"PYX is an Indonesian focused company looking to consolidate the minerals sands market in the region. We are very lucky to work with a professional and dedicated team and to be operating in a mining-friendly and supportive country like Indonesia.

"We recently made another important step forward on our successful growth path when we renewed the Tisma tenement licence for a further 10 years, after which the licence can be extended further.

"I would like to take the time to thank our team and the Indonesian government departments, officials, and stakeholders for the quick decision on the licence application. Extending the term of the tenement licence where we operate is a key development in that it enables PYX to continue its critical exploration and mining activity at a time when the mineral sands market is experiencing increased demand and consistent growth.

"In an improving zircon market, we are forecasting strong production and sales growth within our operations against a backdrop of improving global demand and pricing. All these factors give us great confidence for the remainder of the year ahead.

"Once again, I wish to thank our loyal shareholders, trading partners and hard-working team for maintaining PYX Resources as a world-leading producer of critical minerals for the world's clean energy future."

Premium Zircon Market

Premium zircon prices are mixed when compared with last year, largely because of the huge imbalance between supply and demand in 2022 which caused spot prices into China to drastically increase. Most spot sales are undertaken for the Chinese market, which slowed down in the second half of 2022¹ and resulted in PYX selling mostly into India, Europe, and the Americas at international contract prices H2 2022 and Q1 2023.

Conversely, international contract prices, set mainly by the major Australian and South African producers, have increased by 15% year-on-year¹.

The Directors see the potential for an increase in premium zircon demand in Q2 2023 and expects a

¹ [Asian Metal](https://www.asianmetal.com) (<https://www.asianmetal.com>)

return to stronger sales to China in the second half of 2023, which should help mitigate the risk of Western economies declining.

According to Mordor Intelligence, the global zirconium market is anticipated to register a compound annual growth rate (“CAGR”) of 4% between 2023 and 2028, driven by an increase in foundries and refractories, increased nuclear power plants in the Asia-Pacific region, and the rising demand for surface coatings.²

Tisma Mineral Sands Project Licence Grant

On 23 February 2023, PYX Resources Ltd was pleased to announce it had received notification that the application by PT. Tisma Global Nusantara’s (“PT TGN”) for the renewal of the licence for the Tisma tenement in Indonesia had been granted for the maximum authorized period of 10 years, after which the licence can be renewed for additional periods. PYX holds a contractual interest in PT TGN through an Exclusive Option and Management Agreement.

The renewal of the tenement licence allows PT TGN to continue to perform exploration and mining works in the tenement area.

A summary of key provisions of the permit extension include:

- 1.5% Royalty on sales value of exported Zircon;
- Fixed rent payable to the Government of Indonesia of US\$4 per hectare per annum;
- Corporate tax of 22% payable to the Government of Indonesia;
- Land and building taxes of 0.5% of taxable sales value payable to local government; and
- Environmental obligations, including reclamation bonding and plans

PYX Resources also advises that all Performance Rights held by the Chairman and CEO, Mr Oliver Hasler, have been cancelled in order to reflect a clearer picture of the financial performance of the Company. A total of 80,000 Performance Rights remain in issue, which are convertible into a maximum of 120,000 shares, subject to the achievement of certain milestones.

***** ENDS *****

² “Global Zirconium Market - (2023 - 2028)” Mordor Intelligence.

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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 licences 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.