

## Operations Update HY 2023

### Strong HY 2023 Performance with Increased Sales and Production

#### Highlights

- Premium Zircon production increased by **33%** to **5.7kt**
- Premium Zircon sales also experienced growth, with a **34%** increase to **5.2kt**
- Successful renewal of a 10-year exploration and mining license (maximum term) for the Tisma Mineral Sands project
- Award for Prevention and Management of COVID-19 in the Workplace in 2023 and Zero Accident Award 2023, both from the Government authorities in Kalimantan

**PYX Resources Ltd (“PYX” or “the Company”)** (NSX: PYX | LSE: PYX), the world’s third largest publicly listed Premium Zircon producer by Zircon resources<sup>1</sup>, is pleased to announce an operational update for the six months ended 30 June 2023 (“HY 2023”) ahead of the publication of its interim results for the same period, anticipated to be released on or around 13 September 2023.

#### SUMMARY OF RESULTS (all unaudited)

	HY 2023	HY 2022	Variance
Zircon Produced	5.7kt	4.3kt	+33%
Zircon Sales	5.2kt	3.9kt	+34%
Yearly Average Price Zircon (USD/t)	1,927	2,749	-30%
<b>Total Mineral Sands Produced</b>	<b>6.8kt</b>	<b>9.2kt</b>	<b>-26%</b>
<b>Total Mineral Sands Sold</b>	<b>5.2kt</b>	<b>3.9kt</b>	<b>+34%</b>

Premium Zircon sales experienced robust growth during the period, with a remarkable increase of 34% to a sales volume of 5.2kt. The Directors believe this growth is a result of our global client base, customer-centric approach, strong relationships with clients, and the ability to deliver high-quality products that meet their specific needs.

PYX’s premium Zircon production has experienced substantial progress, with a noteworthy increase of 33% compared to the previous year. In HY 2023, production volumes reached 5.7kt, showcasing the operational efficiency and dedication to meeting market demand positioning PYX as a leading supplier of premium zircon to the global markets.

Total production for the first half of the year amounted to 6.8kt, a 26% reduction over the same period last year. The Company believes the reduction is attributable to the decision to focus on the production and sale of premium Zircon due to high demand. This follows last

<sup>1</sup> according to publicly available information during the financial year ended June 2023

year's ramp up of production of its by-products Rutile and Ilmenite, following the award of exploration and extraction licenses, which have been stockpiled with a total of 8.0kt of titanium stockfeed being held in storage. This titanium stockfeed will be sold once the Company receives its export licence from the Indonesian Trade Department, anticipated to be during Q3 2023. PYX Resources remains confident in its ability to maintain this growth trajectory and deliver long-term value to our stakeholders.

In terms of pricing, Premium Zircon has experienced a remarkable upward trend. Starting from January 2021 at US\$1,400/t, international pricing (as reported by Asian Metal) steadily increased throughout the year, reaching US\$1,800/t in the second half of 2021 and US\$2,000/t by January 2022. This positive trajectory continued in the second quarter of 2023, with the price reaching US\$2,100/t. Since the third quarter of 2022, the price has remained stable at an impressive US\$2,300/t, a 64% increase on 2021 prices, defying the volatility of the market. This exceptional outcome underscores the imbalanced supply and demand dynamics, and our ability to capitalise on this favourable market situation.

PYX's revenue is linked to lower prices in HY 2023 compared to the same period last year, as it took historic advantage of spot prices which were as high as US\$3,100 per tonne during HY 2022. During the first half of 2023, PYX sold most of its Premium Zircon at contract prices, following international pricing.

The Directors believe the continued rise in demand for PYX's mineral products, strong market fundamentals and the Company's operational capabilities, ensures PYX is positioned to capitalise on the continued global demand for mineral sands paving the way for sustained growth. PYX remains committed to delivering on our strategic objectives and maximising shareholder value.

**Commenting on the Company's achievements in HY23 PYX Resources' Chairman and Chief Executive Officer, Oliver B. Hasler, said:**

*"I am delighted with our achievements in HY 2023. The Company experienced substantial growth in premium Zircon sales, with a 34% increase, and a production increase of 33%. Our diversified global client base has allowed us to manage and minimise risk. This coupled with the quality of our zircon has resulted in consistent growth in sales whilst our exceptional team on site have been instrumental in ensuring maximum efficiency. I am particularly proud of the two awards given to the Company by the Government authorities in Kalimantan - the Award for the Prevention and Management of COVID-19 in the Workplace and Zero Accident Award 2023 – we are passionate about our people and the safety of our team.*

*"As we enter the second half of the year, we remain optimistic about our strategic plan and the continued rise of Mineral Sands prices. We remain well positioned to deliver on our goals and benefit from the industry's strength."*

One of the significant milestones this year has been the renewal of a 10-year Izin Usaha Pertambangan Operasi Produksi (IUP-OP, Mining Operation and Production Licence)

exploration and mining license agreement for the Tisma project, which PYX has a contractual interest in. This renewal, and access to this licence, should solidify PYX's position as a leading player in the mineral resources sector and opens up new opportunities for growth and expansion. PYX believes the Tisma project holds immense potential, and this long-term licence agreement should provide stability and confidence to maximise its value over the coming years.

Also, the Indonesian authorities have set the legislation for Indonesian Mineral Sands companies to export Ilmenite and Rutile to international markets, following a change of the law in Indonesia. The Ministry of Trade of the Republic of Indonesia, following the recommendation of the Ministry of Energy and Natural Resources, has changed the category of Titanium dioxide, with Ilmenite and Rutile now being classified as Non-Metal Commodities, the same as Zircon.

This law change, issued by the Ministry of Trade under regulation No. 13, allows for the export of Ilmenite and Rutile as Non-Metal with a minimum grade of  $TiO_2 \geq 45\%$  for Ilmenite and  $TiO_2 \geq 90\%$  for Rutile. As a result, PYX Resources is now awaiting the export license of Titanium dioxide from the Trade Department, which is a formality before it can proceed with the export of its titanium stockfeed, of which it currently has 8.3kt in inventory.

#### **PYX Cares Programme**

Throughout 2023, PYX remained committed to its PYX Cares programme and submitted its Second Communication on Progress Report to the United Nations Global Compact Organisation, which encompasses five key pillars: People, Planet, Prosperity, Peace, and Partnership.

PYX Resources firmly believes in the importance of community engagement and environmental stewardship. The Company is committed to implementing community projects that not only empower the local population but contribute to the protection of wildlife and the preservation of the natural environment. Through these projects, the Company aims to create sustainable and inclusive opportunities for the community, fostering economic development and improving their quality of life. An example of this was PYX's partnership, for a third year, with the Indonesian Red Cross Society in its annual Indonesian National Blood Donor Day.

Amid this local engagement PYX Resources received an Award for Prevention and Management of COVID-19 in the Workplace in 2023 and a Zero Accident Award 2023, both from the Government authorities in Kalimantan.

**\*\*\*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 3<sup>rd</sup> 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.