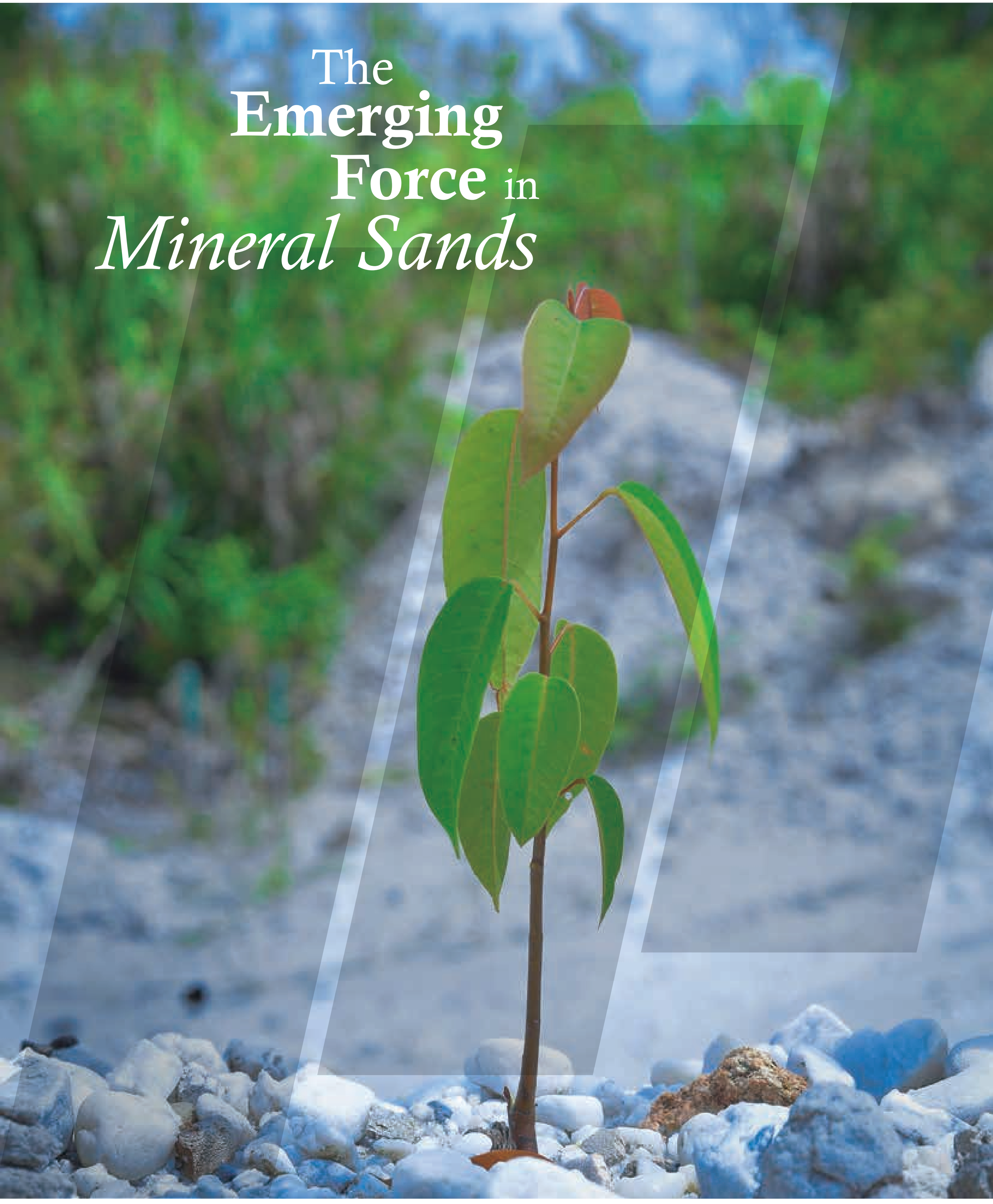
PYX
RESOURCES

The Emerging Force in Mineral Sands

Due to PYX's commitment to the environment, printed copies of the Annual Report are only posted to shareholders who have requested to receive a physical copy

Annual Report
Jan – Dec 2023


The
Emerging
Force in
Mineral Sands

PYX Resources is a major and sustainable global producer of premium zircon listed on the National Stock Exchange of Australia and on the Main Market of the London Stock Exchange (ticker: NSX: PYX | LSE: PYX). The key tenements are located in the alluvium-rich region of Central Kalimantan, Indonesia.

Mandiri has been producing zircon since 2015 and is a large-scale project.

Exploration to date has found the presence of additional valuable heavy minerals including rutile and ilmenite within its mineral sands.

Tisma is a world-class fully licenced mineral sands asset consisting of a concession area of 1,500 hectares located in Central Kalimantan Province, Indonesia.

PYX is the 3rd largest zircon producing mining company globally. With 263M tonnes of JORC compliant resources and 10.5M tonnes of contained zircon. PYX's premium zircon has one of the highest grade globally making it a differentiated value proposition. PYX Resources is committed to identifying, developing and acquiring undervalued, world-class mineral assets strategically located in countries participating in China's Belt and Road Initiative and possess significant resources, long mine life and a high zircon assemblage.

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Forward Looking Statements

Cautionary Note Regarding Forward-looking Information

This Annual Report 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 Report.

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

Forward Looking Statements

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 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 Report 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 Report.

Competent Person Statement

The information in this Report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on the review Mr. Phil Jones did on the information compiled by Dr. John Chisholm, a Competent Person who is a Fellow of AusIMM (Australian Institute of Mining and Metallurgy). Mr. Jones is engaged by PYX and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr. Jones consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The Mandiri mineral sands deposit hosts a 6 Mt Inferred Mineral Resource of zircon. The Company originally announced this resource in the Geological and Technical Report ("Report") contained in its Prospectus released on NSX on 20 February 2020 and available on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Report. All material assumptions and technical parameters disclosed in the Report that underpin the estimates continue to apply and have not materially changed.

The Tisma mineral sands deposit hosts a 4.5 Mt Inferred Mineral 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.

About Us

PYX Resources Limited (NSX: PYX I LSE: PYX) is a leading producer of premium zircon, ilmenite and rutile, listed on the National Stock Exchange of Australia and on the Main Market of the London Stock Exchange.

PYX currently has two large-scale deposits with exploration, Mandiri and Tisma, located in the alluvium-rich region of Central Kalimantan, Indonesia. PYX is the 3rd largest publicly traded producing mineral sands company by zircon resources globally (10.5 Mt of inferred resources).

The Mandiri deposit has been in production since 2015. One of PYX's main goals is to fully develop both deposits to increase asset valuation, production and drive shareholder value. Moreover, PYX has the potential to significantly expand its mineral sands investments by acquiring mineral sands projects in Asia and beyond. This strategic move is aimed at positioning PYX as a leading global producer of mineral sands, capitalising on strong market dynamics, and appetite for innovative companies that support the transition to a green, sustainable future.

With a holistic approach to sustainability and inspired by the Sustainable Development Goals of the United Nations ('UNSDG'), which the Company joined in August 2022, PYX has implemented several environmental and community projects under its "PYX Cares" programme, a blueprint for making a difference and achieving sustainable growth. Further details on PYX's operations, deposits, market dynamics and sustainability initiatives are outlined in the following sections of this report.

FY2023 Financial Highlights

11,350 Tonnes
Zircon Volume Sold
▲24%
YoY increase

US$**22,672k**
Revenue
0%
YoY constant

US$**676k**
Underlying EBITDA
▲61%
YoY increase

US$**7,829k**
Net Cash Position
▲8%
YoY increase

17.1 Days
Premium Zircon Inventory
▲22%
YoY increase

95
Total Personnel
▼22%
YoY decrease

28%
Female Employment
▲5pp
YoY increase

47%
Indigenous (Dayak) Employment
▲2pp
YoY increase

ZERO
Total Recordable Injury Frequency Rate

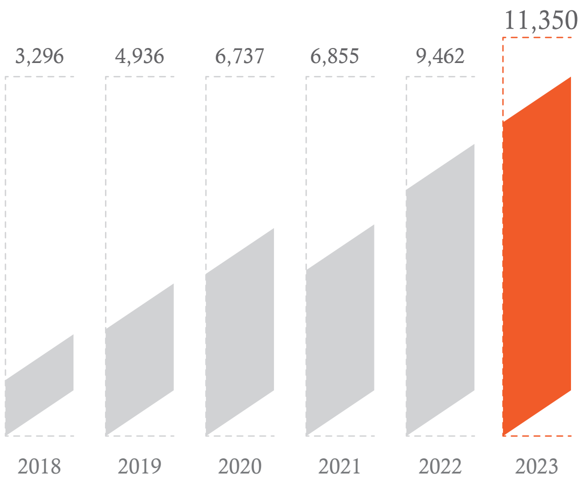
March 2023
Signed UN Global Compact Annual Communication On Progress

Responsible Mining for the Benefit of all Stakeholders

2023 Year in Review

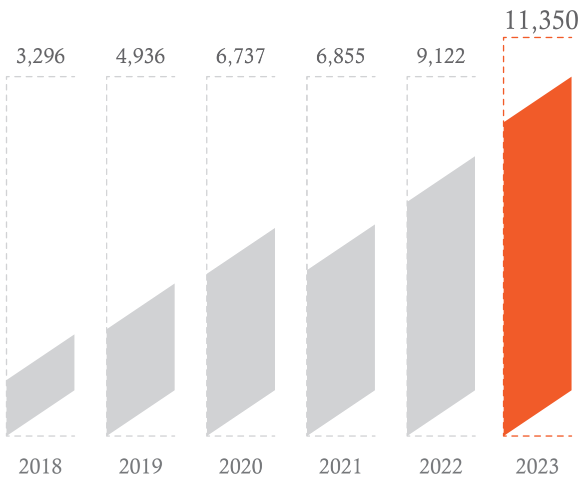
Sales Volume of Mineral Sands *(Tonnes)*

▲ **20%** *YoY*



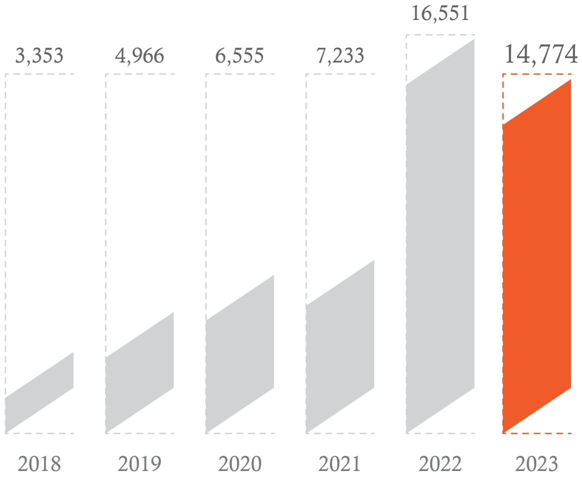
Sales Volume of Zircon *(Tonnes)*

▲ **24%** *YoY*



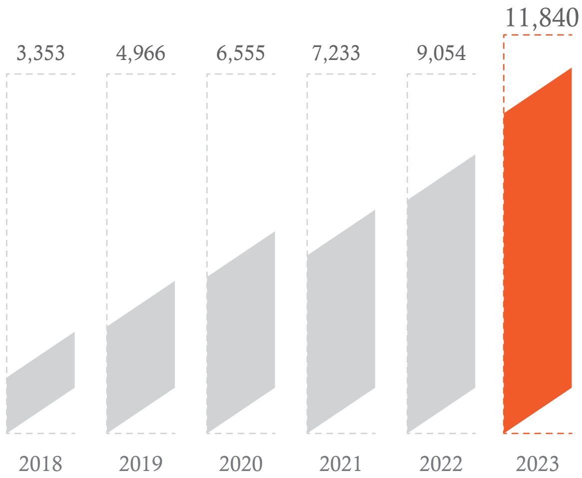
Production of Mineral Sands *(Tonnes)*

▼ **11%** *YoY*



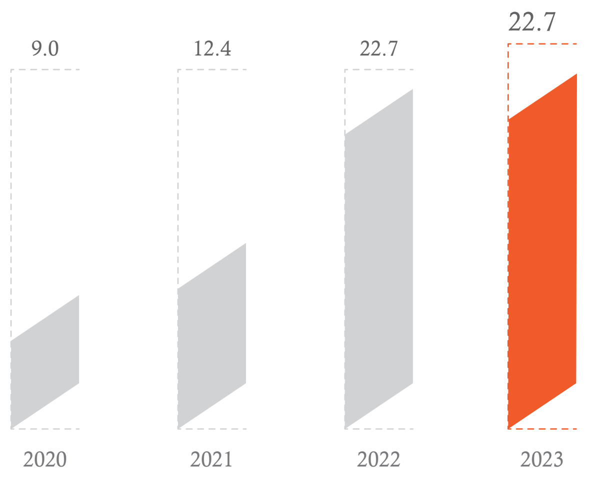
Production Volume of Zircon *(Tonnes)*

▲ **31%** *YoY*



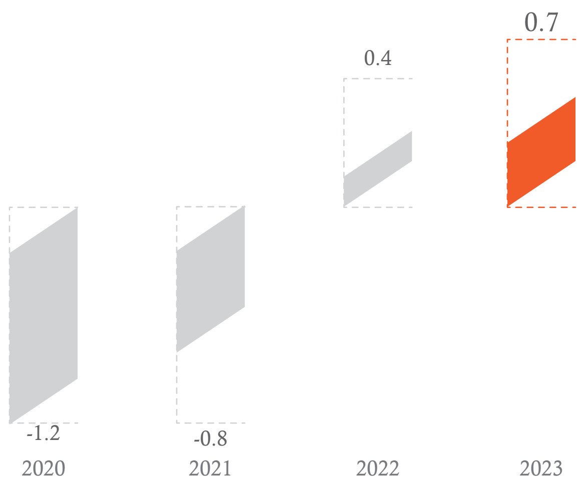
Sales Revenue *(US$m)*

0% *YoY*



Underlying EBITDA *(US$m)*

▲ 61% *YoY*



Financial Summary

US$m	FY2023	FY2022	FY2021	FY2020
Sales Revenue	**22.7**	22.7	12.4	9.0
EBITDA	**(10.0)**	(9.3)	(4.3)	(13.9)
EBIT	**(10.4)**	(9.5)	(4.5)	(14.1)
Net Loss Before Tax	**(10.5)**	(9.5)	(4.5)	(14.1)
Net Loss After Tax (NLAT)	**(10.5)**	(9.4)	(4.3)	(13.8)
Underlying EBITDA	**0.7**	0.4	(0.8)	(1.2)
Total Assets	**93.1**	89.1	84.8	6.2
Total Liabilities	**(9.0)**	(5.6)	(1.8)	(1.6)

Chairman's Letter

Dear Shareholders,

Welcome to PYX Resources' 2023 Annual Report. In terms of the macroeconomic and political environment, it has been a period marked by notable shifts and challenges. Geopolitical tensions, including the Israel – Palestine conflict in the Middle East and the continuation of the war in Ukraine, have had a profound impact on governments and financial markets globally. Additionally, persistently high inflation, supply chain disruptions and higher interest rates in Europe & the US have posed challenges to local manufacturers, reducing demand for our products in these regions. Nevertheless, we have remained resilient and adaptable in the face of these circumstances. While global equity markets have performed relatively well, commodity prices have been soft overall, with global bearishness remaining high, and short-term debt interest at a decade high. All of this arguably builds into the most anticipated bear market in history. I am proud to say that PYX has navigated its way through rough seas and has done so in a remarkable manner yielding excellent results.

A pivotal accomplishment this year lies in our strategic decision to enhance trade dynamics by actively expanding our customer base in the Asian markets, particularly China and India. Recognising the immense growth potential in these regions, we have successfully realigned our operations to cater to their burgeoning demands. By establishing robust relationships with customers in these markets, we have unlocked new avenues for business expansion and cemented our presence in the vibrant Asian economies. This deliberate shift has not only widened our market reach, but has also positioned us to leverage the thriving opportunities and meet the evolving needs of these influential markets. Our strengthened focus on China and India reflects our commitment to driving sustainable growth and maximising our trade potential in the Asian region.

> We are pleased to report a significant surge in our total sales volumes of 20%, a YoY growth of 24% of premium zircon.

In terms of pricing, premium zircon has experienced a remarkable upward trend. Starting from January 2021 at US$1,400, international market pricing steadily increased throughout the year, reaching US$1,800 in the second half of 2021 and US$2,000 by January 2022. This positive trajectory continued, and world premium zircon prices have remained stable, defying the volatility of the market. This exceptional outcome underscores the imbalanced supply and demand dynamics and highlights our ability to capitalise on this favourable market condition. Despite current market challenges, resulting from the weak global economy, we remain bullish in the long term, given the number of existing operations reaching the end of their mine life between 2025 and 2030. In addition, the increasing market uncertainty is heightening the challenge of developing new projects.

We are pleased to report a significant surge in our total sales volumes of 20%, witnessing a YoY growth of 24% of premium zircon, while finished goods inventory of premium zircon remains at a low of 17 days.

Furthermore, this year stands as an exceptional milestone for PYX Resources with a strong positive underlying EBITDA of US$676k, up 61% from the previous year. This is even more impressive when considering that the Company is in its 3rd year of operations since its original IPO in Australia, from which 2 years had a considerable slow down amid Covid-19. This momentous achievement serves as a resounding testament to our unwavering dedication to operational excellence and sound financial stewardship. One key catalyst driving our remarkable financial success has been the meticulous implementation of measures that have led to a substantial reduction in non-cash expenses. By optimising executive remuneration to align with profitability, we have effectively strengthened our financial position and generated favourable EBIT results. This strategic approach, combined with the positive fair value of our financial instruments, has substantially enhanced our financial performance, ensuring sustainable returns for our esteemed shareholders. Moreover, the strategic commencement of sales of by-products, coupled with our astute capitalisation on market demand, has not only diversified our revenue streams but generated additional income, further bolstering our overall financial prowess. This strategic manoeuvre, along with the noteworthy positive impact derived from the accumulated ilmenite inventory, has played a pivotal role in amplifying our overall profitability, serving as a compelling demonstration of the efficacy of our astute resource management strategies.

This remarkable progress aligns seamlessly with our strategic 5-year plan, showcasing our commitment to achieving the outlined objectives.

I am delighted to share the exciting news that PYX Resources has successfully obtained an IUP-OP (Izin Usaha Pertambangan Produksi – Production Operation Mining Business Licence) extension for the Tisma tenement. This achievement solidifies our position and grants us the invaluable opportunity to operate within this tenement for the next 10 years. The extension not only brings stability and certainty to our operations but also serves as a strong foundation for continued growth and expansion. With this extended tenure, we can confidently pursue our long-term strategies and continue to explore new opportunities to consolidate the mineral sands industry in Kalimantan.

To this end, we were delighted to be awarded the licence for the export of ilmenite and rutile ores from the Indonesian government in August 2023, which allows us to extract, produce, and export up to 24kt of zircon, 20kt of rutile and 50kt of ilmenite per annum, as well as extract and produce other by-products such as SiO_2. With 9,833 tonnes of finished ilmenite and rutile in inventory, the Company has an important cash generation potential through sales during 2024.

These milestones are testament to our strong relationships with regulatory bodies and our unwavering commitment to compliance and responsible resource management.

Sustainability remains at the core of our operations and values. We are proud to actively uphold the United Nations' Sustainable Development Goals (SDGs) as part of our commitment to creating a more sustainable future. Our dedication to sustainability goes beyond mere compliance; it reflects our genuine desire to make a positive impact on the environment and the communities in which we operate. We have undertaken a multitude of sustainability projects and initiatives, such as: active community engagement programmes, environmental preservation efforts, and social welfare initiatives, we actively strive to make a difference in the areas that matter most. By integrating the SDGs into our

operations, we aim to foster long-term sustainability, promote responsible business practices, and create lasting positive change.

In summary, the year 2023 is a clear example of the focus all members of the Company have on the accomplishment of our Plan. We have reduced our production costs significantly, increased volumes and started selling our titanium dioxide by-products.

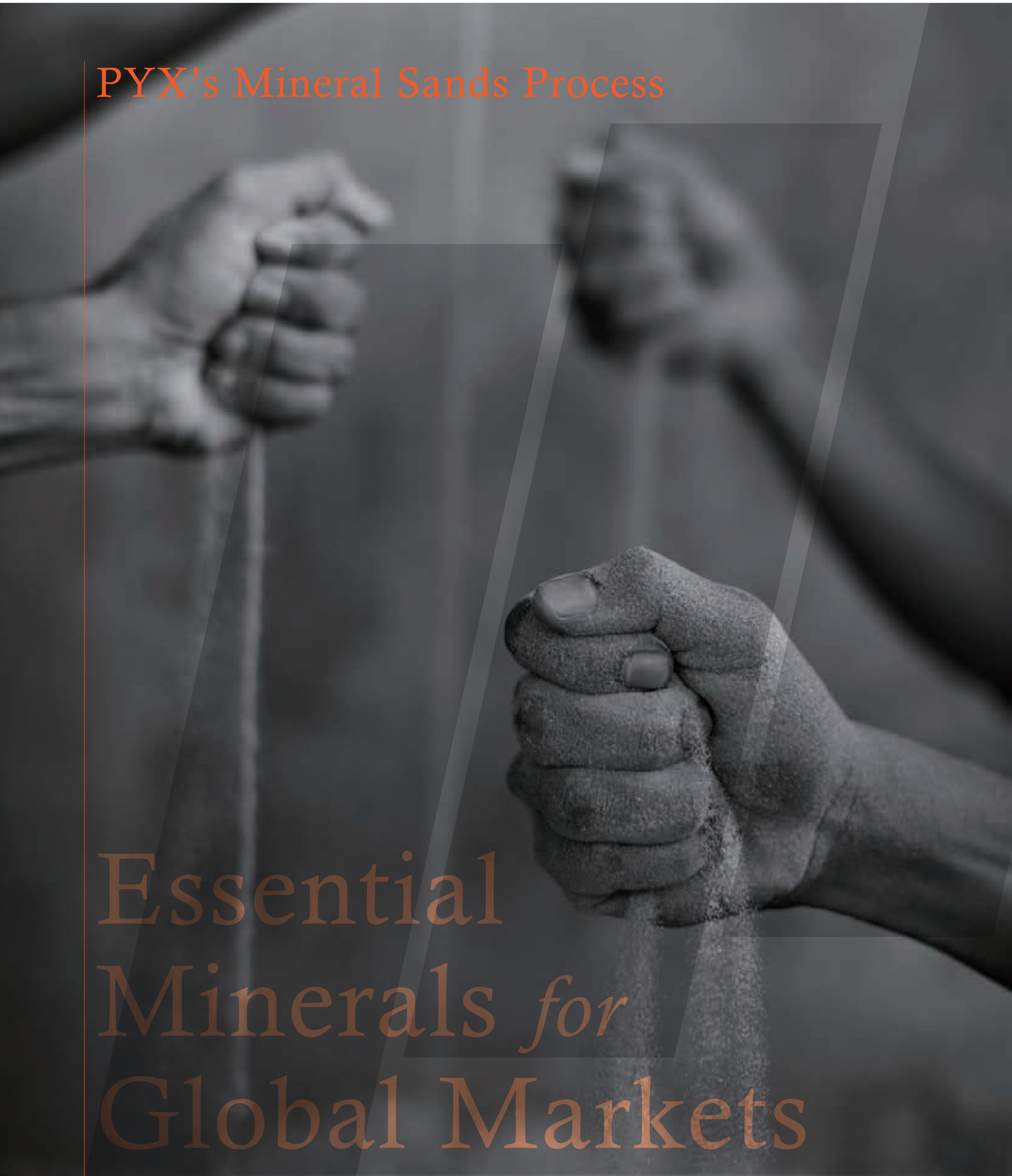
Your unwavering support, trust, and belief in our vision have been instrumental in our journey of success. This year has been filled with significant achievements and notable milestones, and we attribute a great deal of our accomplishments to your continued commitment to our Company.

Oliver B. Hasler
Chairman and Chief Executive Officer

Hong Kong, China
15 March 2024

PYX's Mineral Sands Process

Essential Minerals *for* Global Markets

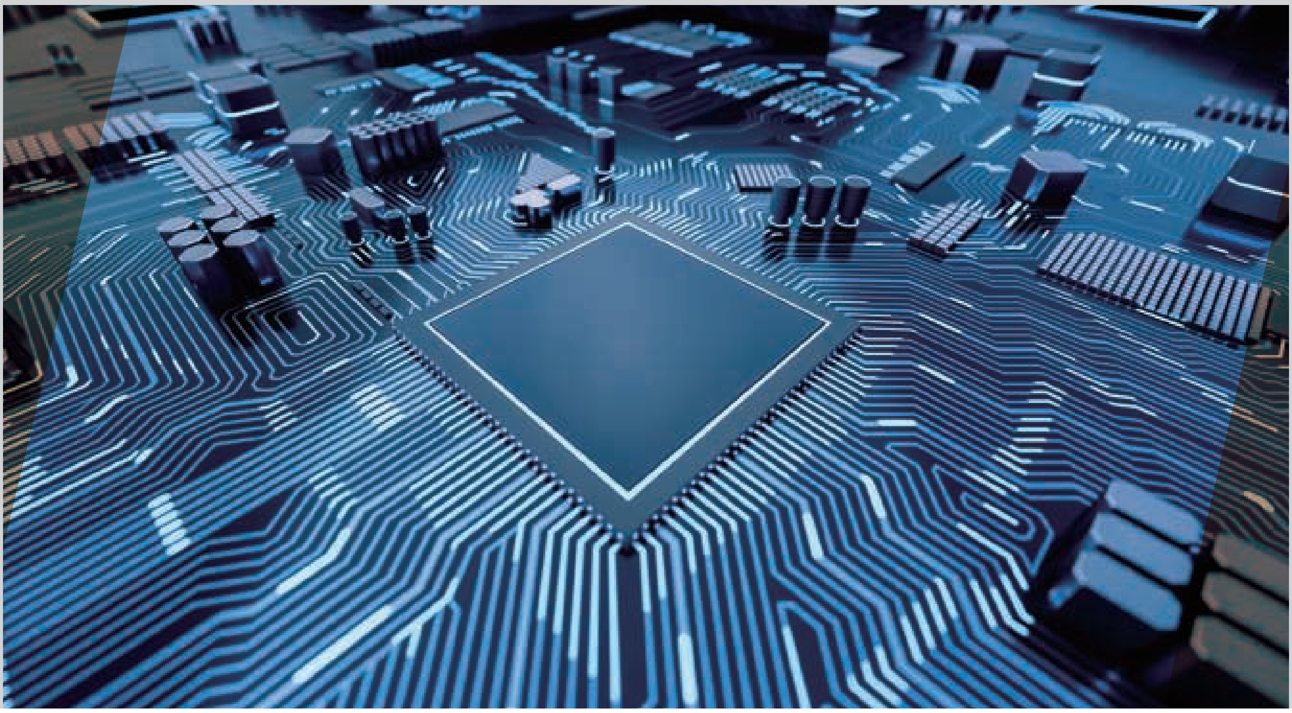


Unearthing the Wealth of Mineral Sands: Beyond the Surface

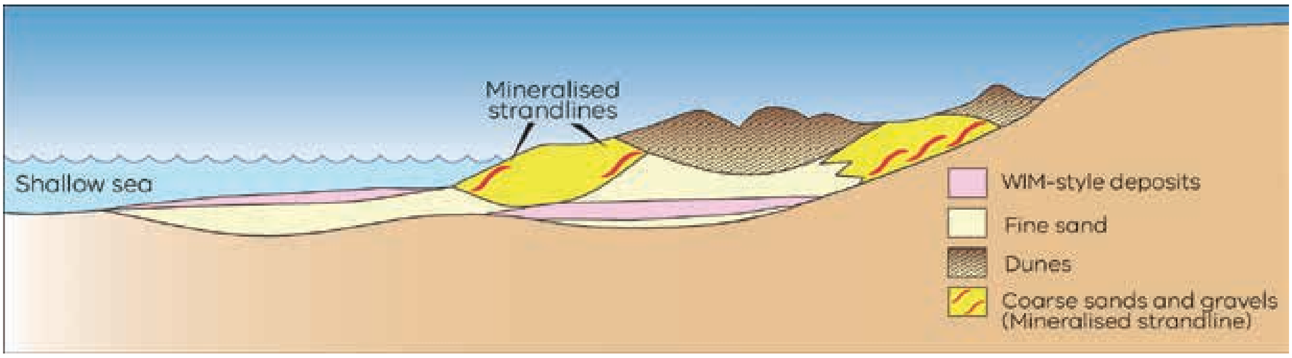
Mineral sands, a geological treasure trove, hold an abundance of heavy minerals forged through the ages in diverse terrestrial landscapes. These sands, in contrast to conventional beach sands, conceal a wealth of precious minerals such as zircon ($ZrSiO_4$), rutile (TiO_2), leucoxene ($FeTiO_3$ and TiO_2), ilmenite ($Fe.TiO_3$), and monazite (Ce, La, Th, Nd, Y)PO_4. Notably, monazite exists in five unique species, each harboring a rich assortment of rare earth elements like cerium, lanthanum, thorium, neodymium, and yttrium, chemically bonded to phosphate or silica. Monazite, another constituent of mineral sands, holds particular significance due to its richness in rare earth elements. These elements are pivotal in various advanced technologies, including electronics, renewable energy systems, and specialised alloys. Monazite's contribution to these sectors underscores its importance within the broader spectrum of mineral sands and their industrial applications.

Furthermore, these deposits often conceal other precious minerals, including pseudo rutile, anatase, xenotime, garnet, kyanite, sillimanite, and staurolite.

Beyond their geological fascination, mineral sands play a pivotal role in the modern world. The rare earth elements found within monazite, for instance, are indispensable in various advanced technologies. Cerium and neodymium are vital components in catalytic converters for automobiles and wind turbines, while lanthanum powers rechargeable batteries and thorium shows promise in advanced nuclear reactor designs. Yttrium enhances the performance of superconductors and LED lights.
In essence, mineral sands are a testament to Earth's intricate processes and serve as a wellspring of essential raw materials, fostering innovation across diverse industries.



The Formation of Mineral Sands



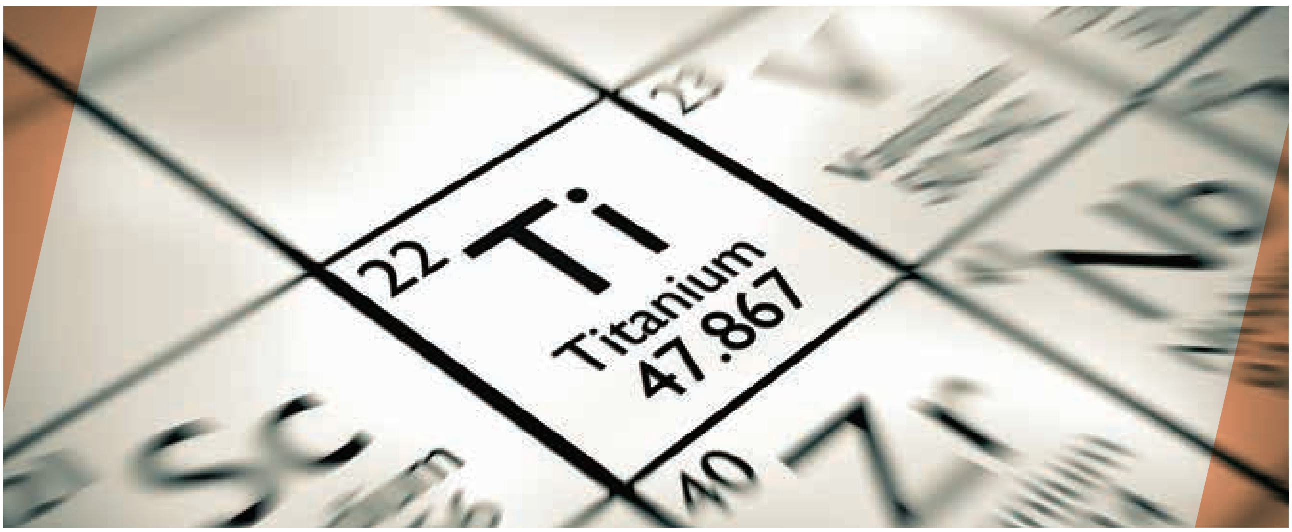
Formation: The formation of mineral sands is a complex geological phenomenon shaped by diverse natural processes over lengthy periods. The initial phase involves the gradual breakdown of parent rocks containing the precious minerals. Physical and chemical weathering processes, including erosion by wind and water, contribute to the disintegration of rocks, producing mineral-laden particles. These particles, laden with heavy minerals, are transported by waterways to coastal regions, where they settle and accumulate along beaches.

The accumulation of these mineral-rich sands is a result of intricate interactions among wave dynamics, currents, and tidal forces. These natural mechanisms aid in the segregation and concentration of heavier minerals such as ilmenite, rutile, zircon, and monazite, causing their deposition in specific coastal locales.

This incremental buildup evolves over extensive periods, culminating in substantial deposits of mineral sands within shoreline environments and dune systems. The geological processes involved span millennia, creating repositories of significant value that can subsequently be extracted for industrial purposes.

Density: These minerals have a specific gravity ranging from 3.5 to 5.3 g/cm^3, significantly higher than that of typical sands like quartz (2.65 g/cm^3).

Applications: Mineral sands find applications in a wide range of industries, including ceramics, electronics, aerospace, and more. Monazite, a component of mineral sands, contains rare earth elements crucial for modern technologies.



Placer Sediments: Placer sediments result from the erosion, transportation, and deposition of minerals by natural processes, primarily involving water. They are typically found in riverbeds, streambeds, coastal areas, and deserts.

Richness in Valuable Minerals: Placer sediments often contain high concentrations of valuable minerals, such as gold, tin, diamonds, and more. They are known for their economic significance.

Historical Importance: Placer deposits have played a crucial role in historical events, such as gold rushes that have shaped regions and economies.

Significance for Mineral Resource Exploration: Placer sediments are often closer to the Earth's surface and easier to mine than deeper primary deposits, making them attractive targets for mineral exploration.

Alluvial Mining: Placer deposits often host alluvial mining opportunities, where minerals are readily accessible in loose, unconsolidated material. Extracting these minerals involves mining techniques, followed by processing methods to isolate and refine them from the sand matrix.

Continuous Exploration: Mineral sands and placer sediments continue to be explored and mined in various parts of the world, contributing to the global mineral industry.

Mineral Sands Uses – Titanium Dioxide and Zircon

Exploring Titanium:

A Mineral of exceptional durability and versatility.

Titanium Dioxide:

Titanium stands out as a highly coveted metal due to its exceptional characteristics. Renowned for its remarkable strength-to-weight ratio, titanium offers unmatched durability while being significantly lighter than steel. Its corrosion resistance, even in harsh environments like saltwater, makes it indispensable in marine and chemical processing industries. Additionally, its biocompatibility renders it ideal for medical implants, ranging from joint replacements to surgical instruments. With excellent heat resistance, it finds utility in aerospace components, industrial machinery, and high-performance sports equipment. This metal's aesthetic appeal and ability to be anodized for various colours further enhance its desirability, positioning titanium as a valuable material across aerospace, automotive, healthcare, and consumer goods industries, among others.

The Tisma and Mandiri deposits yield an abundance of high-grade zircon. Amidst this mineral wealth, titanium dioxide emerges as a significant by-product, classified into three primary categories based on titanium content:

Rutile (90% to 100% TiO_2)
Excellent brightness and colour makes it highly sought after for pigment production. Its superior refractive index and chemical stability make it valuable in paints, plastics, and high-quality coatings.

Leucoxene (65% to 90% TiO_2)
Utilised in pigment manufacturing and as a raw material in ceramics due to its intermediate titanium content.

Ilmenite (45% to 65% TiO_2)
Serves as a primary source for titanium dioxide and iron in various industrial applications, including pigment production, titanium metal production, and alloy manufacturing.

Titanium, with its unique properties and applications, stands as a remarkable mineral with distinct characteristics:

Appearance: Titanium exhibits a striking white-silver metallic appearance, which distinguishes it from other minerals.

Durability: Renowned for its remarkable durability, titanium boasts a tough, glossy surface that resists corrosion, ensuring longevity.

Thermal Resistance: When subjected to extreme thermal energy, titanium forms a protective oxide layer, preventing corrosion and maintaining its integrity.

Tarnish Prevention: At regular room temperatures, this oxide layer continues to shield titanium, preserving its pristine appearance.

This diverse range of titanium dioxide offers versatility and opens doors to various industrial applications.

Unveiling Zircon:

A resilient and remarkable mineral zircon, a mineral renowned for its diverse colours such as brown, red, yellow, green, blue, and even colourless variations, presents an intriguing appearance marked by its sparkling luster when expertly cut and polished. Beyond its appearance, zircon also has a range of properties that make it invaluable across numerous industries:

Appearance: Zircon boasts a robust and glossy appearance that exudes durability, complementing its silver-grey aesthetic.

Thermal Resilience: Highly resistant to thermal stress and corrosion, zircon forms a stalwart shield against environmental challenges. Zircon's exceptional heat resistance, allows it to maintain integrity even under extreme temperatures, a feature prized in refractory materials designed for high-heat environments.

Chemical Stability: Zircon exhibits remarkable chemical stability, showcasing high resistance against corrosion, a trait highly sought after in applications requiring resilience against corrosive substances.

Radiation Tolerance: Zircon's ability to endure high radiation levels positions it as a valuable resource, notably in industries where its stability under extreme conditions is essential.

Mechanical Properties: Exhibiting impressive malleability, ductility, and toughness akin to copper, zircon distinguishes itself by being lighter than steel.

Hardness: With a Mohs hardness rating between 6.5 to 7.5, zircon showcases notable durability, making it a resilient choice for both jewelry and industrial applications.

Density: Its relatively high density lends a substantial weight relative to its size, setting it apart from other gemstones and materials.

Combustion Potential: In finely divided form, zircon displays rapid combustion in oxygen, particularly at elevated temperatures.

Zircon's Multifaceted Utility: Zircon occupies a prominent position within the mineral sands industry, with a rich history as a cherished gemstone. In contemporary times, its resilience shines through across various applications:

Cubic zirconia: As a key component, zircon fuels the production of cubic zirconia, a sought-after gemstone replica admired for its brilliance.

Cutting-Edge Technology: Zircon's significance extends to modern technology, finding applications in fiber-optic components and refractory coatings.

Zirconia plays a crucial role in the process of doping solar panels to achieve peak efficiency.

The refractories and casting industries frequently employ zircon sand in their operations.

More than 50% of the total zircon production is used by the ceramics industry.

Catalysts utilising zircon as a supportive substrate can operate under more extreme conditions.

In the manufacturing and automotive industries, titanium oxide is utilised as a catalyst in the form of nanoparticles.

Titanium oxide is utilised in cosmetics to conceal imperfections and improve the appearance of complexion.

The application of zircon in dentistry has expanded to include endorses implants, implant abutments, and crowns.

The production of protective shielding for fuel rods in nuclear reactors relies on the essential use of zircon.

By imparting opacity and durability to paint pigments, titanium dioxide prolongs the lifespan of the paint

Titanium dioxide nanoparticles have the potential to obstruct harmful UV rays from the sun.

Incorporating titanium dioxide into polymers and plastics can reduce brittleness, discoloration, and fracturing.

Coating paper with titanium dioxide can enhance its opacity, sharpness and reduce its weight.

Zircon's Vast Applications in Modern Technology and Industry

Elevating Interior Design:

In the realm of interior design, zircon emerges as an invaluable addition, imparting luminosity, and enhancing scratch and chemical resistance, particularly in the creation of pristine white ceramic tiles.

Crucial Role in Refractory Materials:

Zircon's remarkable attributes, including low solubility to molten metal, chemical inertness, and resistance to corrosion, position it as an indispensable refractory material, extensively employed in the heart of glass and steel furnaces.

Powering Aerospace Advancements:

The world of aerospace engineering benefits immensely from zircon's advanced coatings, which empower turbine engines to operate at elevated temperatures, boosting efficiency and reducing air pollution. These coatings provide essential structural support for catalytic converters.

Nuclear Excellence:

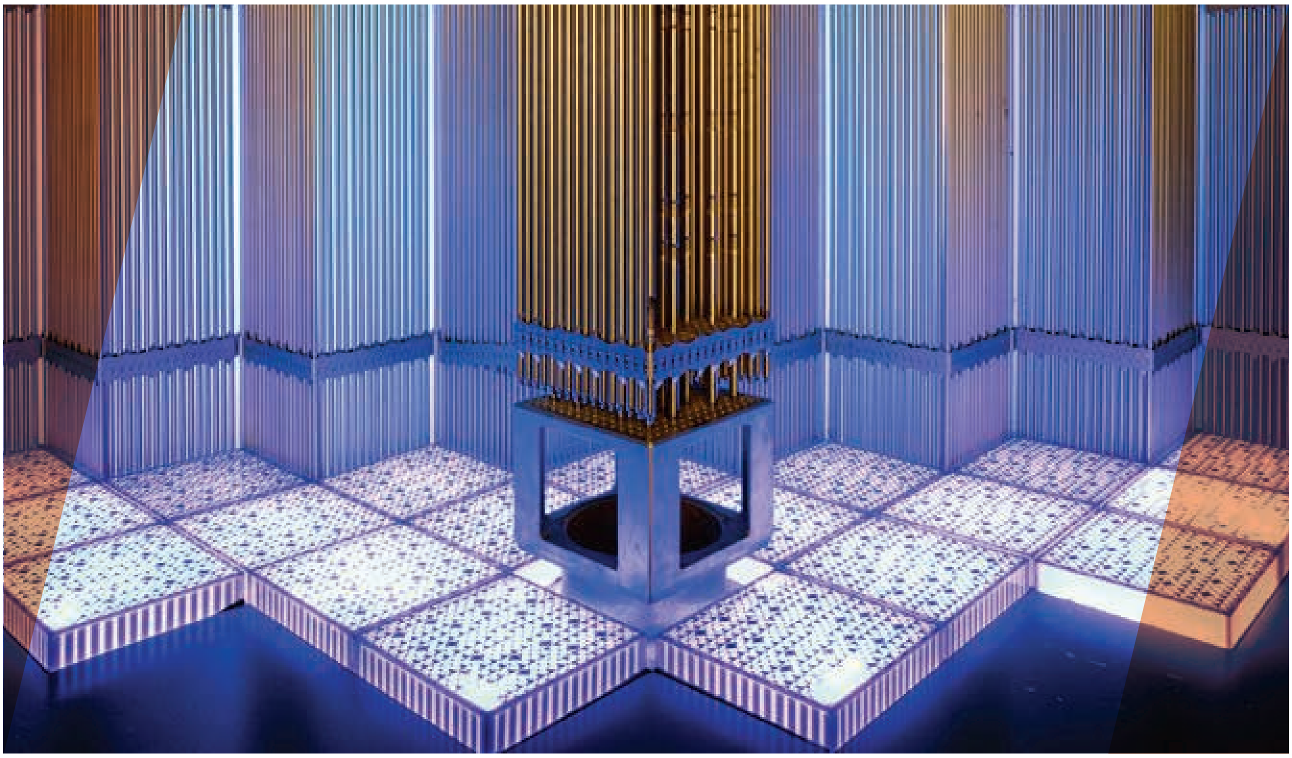
Zirconium alloys, marked by their low thermal neutron absorption, assume a pivotal role within nuclear reactors. This exceptional property enhances energy generation efficiency, underlining zircon's significance in the realm of sustainable power.

Revolutionising Medicine:

Zirconia ceramics, known for their biologically inert nature, robustness, and resistance to wear, take centre stage in the medical field. They find critical applications in joint implants, advancing the quality of life for many. Additionally, zirconia contributes to medical innovations in ultrasound, medical imaging, hearing enhancement, and dental implants.

Empowering Consumer Electronics:

Zircon's influence extends to the realm of consumer and digital electronics, where its unique properties are harnessed for specialised purposes. Notably, zircon plays a vital role in manufacturing durable glass screens for smartphones, ensuring longevity and reliability in the world of handheld devices.



Unearthing Precious Minerals: Methods of Mineral Sands Mining

Two techniques are used to mine mineral sands, namely wet and dry methods. Wet methods are typically used in the initial stages to concentrate heavy minerals, while dry methods, such as electrostatic or magnetic separation, may follow for further refinement and separation. The choice between these methods in mineral sands processing depends on the specific characteristics of the deposit, the desired products, and environmental considerations.

1. Wet Extraction Methods:

Dredging: Ideal for large, low-clay deposits, dredging involves the use of a suction pipe to collect mineral deposits from the bed of an artificial reservoir situated above the deposits. The collected material is then transported to a processing facility for further refinement.

Advantages: Wet methods are often effective for separating minerals based on their density, size, and shape in a liquid medium. They can be particularly efficient for minerals that are finer and have complex compositions.

Disadvantages: One drawback of wet methods is the significant water usage and the need for subsequent water treatment or management due to the creation of wastewater or slurry.

2. Dry Extraction Methods:

Earth-Moving Equipment: In dry extraction, heavy machinery is used to excavate and transport the sands to a filtering facility. Here, excess clay particles and tailings are removed to prepare the material for separation.

Spiral Separation: Dry-extracted material goes through a series of intricate spiral separation processes to isolate the valuable minerals.

Hydraulic Mining: High-pressure water is employed to create a slurry of sand, clay, and heavy minerals, making it suitable for both wet and dry mining operations.

Advantages: Dry methods are efficient for coarse materials and minerals that don't require a liquid medium for separation. They often consume less energy and don't produce wastewater, reducing environmental impact.

Disadvantages: Dry methods may be less effective for fine particles and minerals that require a liquid medium for proper separation. Additionally, dust control can be a challenge during dry processing.

PYX’s Mineral Sands Deposits

Exploring Global Mineral Sands: PYX’s Strategic Mining

Mineral sands, an abundant resource, are naturally occurring in a variety of settings worldwide, including coastal shores, riverbanks, and extensive sand dunes. These sands are rich in valuable heavy minerals, offering a myriad of applications across industries. Amid this global abundance, PYX distinguishes itself with its prominent presence in the mineral sands sector.

Central Kalimantan’s Rich Deposits: Located in the heart of Central Kalimantan, Indonesia, PYX boasts two primary mining deposits, namely the Tisma and Mandiri Deposits. This region, known for its geological richness, serves as a strategic hub for mineral sands extraction and processing.

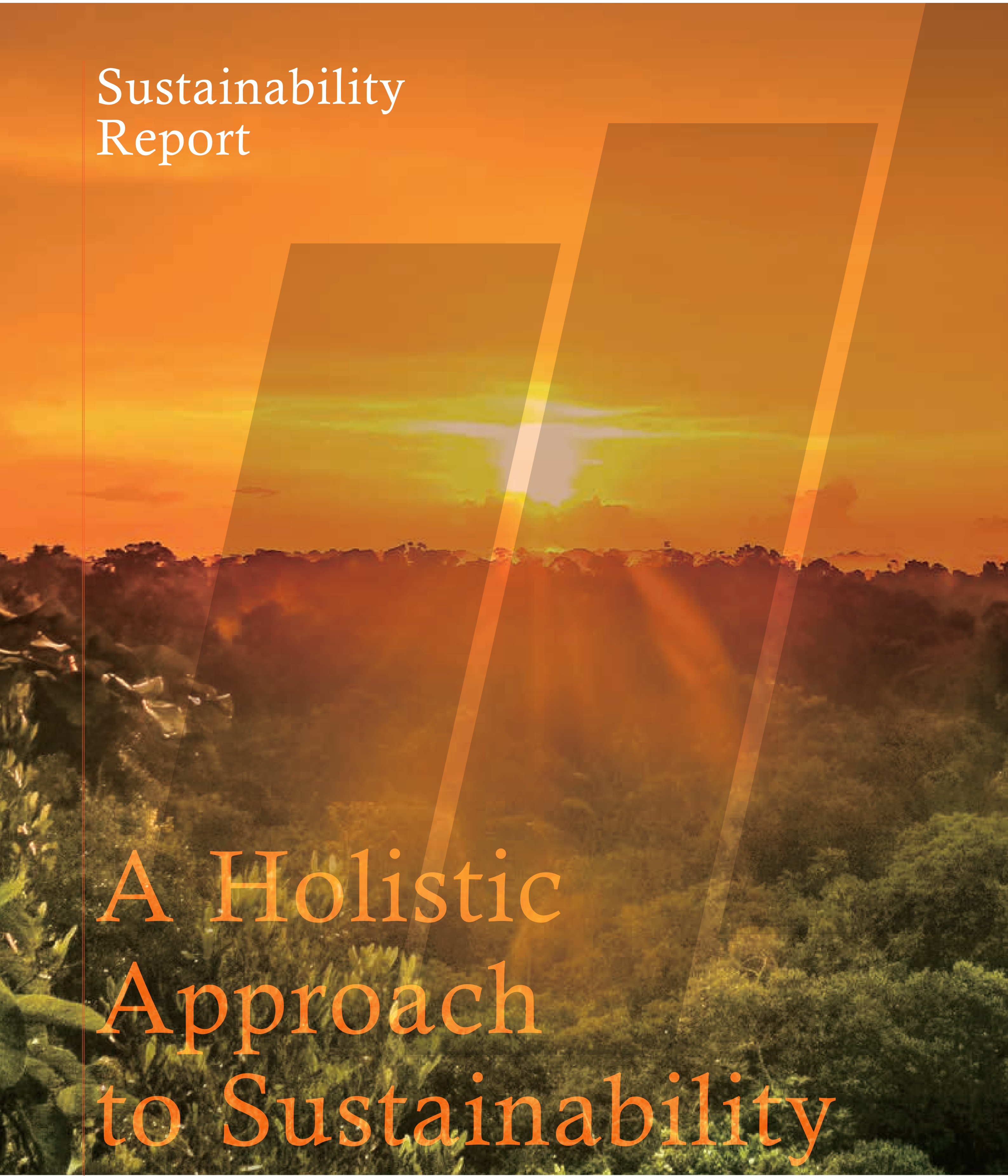
Transforming Mineral Sands: PYX's Mandiri Deposit Processing and Mine Rehabilitation

Processing at Mandiri Deposit: Within PYX's operations, the processing of mineral sands at the Mandiri Deposit is a meticulous and eco-conscious procedure that yields two key products: premium zircon and titanium dioxide (rutile and ilmenite).

The journey begins with the extraction of heavy mineral concentrate, which undergoes a gravity separation process to enhance its zircon concentration. This separation leaves behind residual quartz sand and tailings, thoughtfully returned to the mining pit to restore the environment's natural state. Sustainability remains at the forefront, as the process water utilised in spiral separation is judiciously recycled within the processing facility.

The centerpiece of this processing venture is the Mandiri Mineral Separation Plant (MSP), where a carefully orchestrated sequence of wet processing (Wilfley tabling) is followed by a dry batch mineral separation process (electrostatic separation). Before being channeled into the electrostatic separation unit, the concentrate is meticulously dried and cooled, culminating in the production of premium-grade zircon with a purity content of at least 65.5%.

Responsible Mine Rehabilitation: At PYX, responsible mining extends beyond extraction and processing. Mine rehabilitation is a fundamental practice, integral to the company's commitment to sustainable resource management. This initiative ensures that mining pits are meticulously restored to their pre-mining conditions, aligning with future land use, such as agriculture.



Sustainability Report

A Holistic Approach to Sustainability

Since inception, PYX has been dedicated to establishing a sustainability programme. This year, PYX maintained its commitment to the local community and the environment by making significant strides in developing and enacting sustainability initiatives.

In pursuit of this objective, the Company introduced its "PYX Cares" programme, drawing inspiration from the United Nations' Sustainability Development Goals (SDGs). This initiative is structured on five-elements: **plant, people, prosperity, peace, and partnership**, all designed to promote sustainability while benefiting the local community.

PYX RESOURCES CARES

PYX believes that business can be a catalyst for change. PYX Cares is the Company's framework for generating meaningful and environmentally sustainable contributions in the surrounding communities in which the Company operates. PYX is committed to championing sustainably conscious decisions in the local Kalimantan area and beyond, emphasising a commitment to collective environmental well-being. At PYX, a fundamental principle is establishing mutually beneficial relationships with the local community and conducting operations responsibly, recognising that long-term goals hinge on these foundational elements.

PYX's Sustainable Development Project

The philanthropic initiative of PYX Cares came from the United Nations Sustainable Development Goals. The United Nations formulated 17 Sustainable Development Goals (SDGs) to advance their sustainability Agenda by 2023. PYX's goals align with and support the United Nations Agenda.

The Company introduced the PYX Cares initiative in recognition of crucial humanitarian duties, such as contributing to eradicating poverty and devising approaches to mitigating its environmental footprint of day-to-day operations.

For further information about PYX's strategic commitment to the United Nations SDGs, please review our 2022 and 2023 Sustainability Reports.

Our 12 Sustainable Development Goals

PYX Cares adopted the following 12 Sustainable Development Goals which have been implemented to support Central Kalimantan, the region where PYX operates:

1. *End poverty in all its forms.*
2. *End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.*
3. *Ensure healthy lives and promote well-being for all.*
4. *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.*
5. *Achieve gender equality and empower all women and girls.*
6. *Ensure the availability of water and sanitation, as well as sustainable management of water and sanitation for all.*
7. *Ensure access to affordable, reliable, sustainable, and modern energy for all.*
8. *Promote inclusive and sustainable economic growth, full and productive employment, and decent work for all.*
9. *Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.*
10. *Reduce inequality.*
11. *Make cities and human settlements inclusive, safe, resilient, and sustainable.*
12. *Ensure sustainable consumption and production.*

In 2023, PYX prioritised the implementation of the following United Nations Sustainability Goals:

PYX recognises its responsibility as a leading international producer of premium zircon, rutile, and ilmenite. These minerals are crucial in fostering sustainable development, including environmentally friendly operations.

Accordingly, PYX Cares serves as the Company's blueprint for implementing sustainability goals and promoting sustainable growth in the Company and the surrounding communities. PYX Cares encompasses the Company's commitment to implementing the SDGs through its five elements: **people, planet, prosperity, peace, and partnership**. The Company is dedicated to operating in an environmentally friendly manner while concurrently providing employees with a safe workplace.

In 2023, PYX continued its unwavering commitment to environmental sustainability. Additionally, the Company continued its philanthropic endeavours this year through forging partnerships with local communities. PYX strives to continue advancing Goal 15 (Life on Land) and Goal 17 (Fostering partnerships to promote SDG objectives). The Company remains equally dedicated to listening to concerns of employees and the Dayak communities. Moving forward, PYX commits to driving economic growth through meaningful investments, thus advancing positive development in the Kalimantan region.

PYX also supports the Ten Principles of the United Nations Global Compact ("UNGC") which affirms that companies need to align their operations with ten universally established principles on human rights, labour, environment, and anti-corruption.

United Nations Global Compact: Communication on Progress

Dear Stakeholders:

I am pleased to reaffirm that PYX Resources supports the ten principles of the Global Compact, specifically concerning human rights, environment, and anti-corruption.

As of 2 August 2022, PYX was admitted, under Participant ID #152927, to the United Nations Global Compact Programme to further the Company's commitment to sustainable and equitable business practices. The United Nations Global Compact (UNGC) framework is built on the foundation that corporate sustainability begins with a company's value system. The initiative affirms that companies need to align their operations with the UNGC's ten universally established principles in human rights, labour, environment, and anti-corruption sectors. The UNGC is the largest international sustainability initiative in the world, with over 15,000 companies and 3,000 non-business signatories based in over 160 countries, with more than 70 local networks.

PYX is continually improving its integration of the Global Compact into the Company's daily operations, culture and business strategy while simultaneously engaging in collaborative projects to advance broader development goals of the United Nations, particularly the Sustainable Development Goals.

In the Annual Communication on Progress, we outline our continuous commitment to the Global Compact in daily and future operations.

Oliver B. Hasler
Chairman and
Chief Executive Officer

Hong Kong, China
15 March 2024

The PYX Progress Report for the United Nations Global Compact

PYX's Actions for Implementing the 10 Principles

- Company Rules and Regulations
- Employee Handbooks
- Anti-bribery and corruption policy
- Anti-slavery and human trafficking policy
- Disclosure policy
- Diversity policy
- Health, Safety and Environment policy
- Whistle-blower policy
- Code of Conduct
- Supplier Ethical Data Exchange Members Audit (SEDEX)
- SEDEX Members Ethical Trade Audit (SMETA)

Measurement of Outcomes

PYX contributes to the Global Reporting Initiative (GRI) by reporting PYX's impact on climate change, human rights, and corruption. The Company will include the GRI findings in future reports.

Human Rights

Principle 1:
Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2:
Make sure that they are not complicit in human rights abuses.

Labour

Principle 3:
Businesses should uphold the freedom of association and effective recognition of the right to collective bargaining;

Principle 4:
The elimination of all forms of forced and compulsory labour;

Principle 5:
The effective abolition of child labour; and

Principle 6:
The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7:
Businesses should support a precautionary approach to environmental challenges;

Principle 8:
Undertake initiatives to promote greater environmental responsibility; and

Principle 9:
Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10:
Businesses should work against corruption in all its forms including extortion and bribery.

Implementing our Goals

PYX Resources is dedicated to promoting the ten principles of the Global Compact. To achieve these goals, the Company's short and long-term objectives are listed below.

Human Rights (Principles 1-2)

Short-Term:
- Offering bi-yearly medical assessments for all PYX employees
- Accessible mental health resources for all PYX employees
- Enhancing employee well-being by providing training, providing regular medical check-ups, and ensuring access to comprehensive medical care and hospitals to all PYX employees
- Improving access to education resources for the community by investing in local schools
- Offering the Healthy Children initiative and assisting with recreation at the local school near the Mandiri mine through numerous projects
- Promoting and celebrating the local Indonesian, particularly the Kalimantan culture, through the Cultural Learning House and Traditional Dance initiatives

Long-Term:
- Supporting the expansion of local schools by adding three new classrooms by 2025
- Cultivating partnerships by making meaningful contributions to the local Kalimantan community and employees who reside in the local Kalimantan and Dayak communities
- Sustaining and nurturing existing partnerships with the local community to advance sustainability initiatives

Labour (Principles 3-6)

Short-Term:
- Offer 10 local internships by the year of 2025
- Capturing the interest of skilled workers by providing internships at both the local and international levels
- Providing continuous training for our employees in 2024

Long-Term:
- Increasing female employment by 35% by 2030
- Maintaining a workforce composition of 50% represented by Dayak employees

Environment (Principles 7-9)

Short-Term:
- Furthering reforesting efforts, by planting 10,000 trees by the end of 2025
- Initiate the measurement of CO_2 emissions in 2026 to set out reduction goals and develop corresponding plans
- Contribute to the Global Reporting Initiative (GRI) by documenting PYX's impact in areas such as climate change, human rights, and corruption. The GRI results will be incorporated into future sustainability reports

Long-Term:
- Reducing the environmental impact of the Company's operations with the goal of achieving net carbon neutrality by 2040
- Growing investment in sustainable energy solutions, beginning with installing the first solar energy source at the Mandari tenement by 2030
- Zero environmental accidents

Anti-Corruption (Principles 3-6)

Short-Term:
- Complying under the Supplier Ethical Data Exchange Members Audit (SEDEX)
- Adhering to the SEDEX Members Ethical Trade Audit (SMETA)

Long-Term:
- To publish annual SMETA Audit reports

Safety

PYX Resources consistently places a strong focus on supporting employee empowerment within and beyond the workplace. The Company engages in the SEDEX Members Ethical Trade Audit (SMETA), which offers international standards for assessing health, safety protocols and employment standards. PYX conducted its annual SMETA in 2023. Adhering to the SEDEX benchmarks, PYX delivers continuous safety training to all employees, including evacuation plans and fire brigades.

Awards and Recognitions

During 2023, PYX received multiple awards from local and central governments recognising the Company's commitment to the safety of its employees.

On 16 January 2023, PT Investasi Mandiri received the Zero Accident Award, acknowledging the Company as having the fewest workplace accidents in 2022 at the Provincial level of Central Kalimantan. On 6 February 2023, the Company was awarded the Zero Accident Award for the second consecutive year. Furthermore, on a National level, PT Investasi Mandiri attained the Zero Accident Award for 2023, accepted on August 7. All these awards were in the gold category.

Additionally, PT Investasi Mandiri received recognition for its efforts in the Prevention and Management of COVID-19 in the Workplace for 2023. The Company accepted the gold-category Provincial award on 6 February 2023.

Supporting and Empowering our Employees

In supporting employee well-being, PYX ensures access to affordable healthcare for all employees and their families through a collaborative agreement with a local hospital in Kalimantan. To bolster our employees' well-being, we provide them with nutritious meals on workdays to encourage healthy eating.

Within the Company, all female employees are entitled to 3-month full-wage maternity leave. PYX also grants a three-day leave for employees when they get married. Employees are entitled to take up to 12 days annual leave from January 1 to December 31 each year. The Company also acknowledges Hajj leave for employees performing the pilgrimage, allowing for 40 calendar days for regular Hajj or a maximum of 30 days for special Hajj or other national holidays, excluding annual leave.

Our Robust Training Programme

PYX Resources is proud to offer a robust and comprehensive employee training programme. The training is designed to foster professional development, which focuses on enhancing employee safety in the workplace. At PYX, we believe that investing in continuous learning is the key to the success and safety of our employees.

In 2023, there were no injuries or fatalities reported. PYX is pleased to report zero work-related injuries resulting in lost time during the same period. Additionally, PYX can confirm zero fatalities due to Covid-19 for the entire year of 2023.

The 2023 Employee Training Programme

1
Company Regulations - Leave Policy & Procedure

2
Pest Control Training - Snake

3
Fire Fighting Part II

4
Evacuation Training (Fire, Natural, Disaster, Rising)

5
Proper Machine Maintenance Part I

6
Procedure for use of Health Facilities of Betang Pambelum Hospital

7
First Aid Training (continuation)

8
BPJS (Employment Social Security Administration)

10
The Importance of Using PPE (Personal Protective Equipment) on the Work Site

11
The Importance of Personal Hygiene

12
Food Hygiene Training

13
Proper Waste Management

14
Harassment (Non-Discrimination and Equality)

15
Exercise Safe Use of Machineries

16
Ethics, Anti-Corruption & Bribery

17
Proper Use of Personal Protection Equipment (PPE)

18
Climate Change

19
Whistle Blower

Stakeholders

PYX recognises the significance of involving stakeholders at various levels within the Company, as their active participation is vital for the Company's commitment to upholding the Sustainable Development Goals. At PYX, this involvement encompasses individual stakeholders, the local community, employees, investors, regulatory agencies, consultants, government and domestic agencies, customers, and other relevant parties within the Company's operations.

Looking into the future, PYX will continue to prioritise consistent communication between stakeholders and senior management to foster collaborative discussions aimed at advancing the Company. In line with this commitment, PYX demonstrates to its stakeholders a dedication to environmental sustainability and corresponding social responsibility through initiatives such as PYX Cares, which supports various philanthropic projects. PYX Cares is designed to deliver sustainable value to all its stakeholders. Which encompasses empowering local communities, safeguarding the environment, championing diversity, and ensuring participation from employees and the people of Kalimantan in PYX's enduring success.

Community

PYX is dedicated to positively impact the areas where it operates, by promoting sustainable growth in alignment with the United Nations frameworks.

At PYX, prioritising safe operations and establishing partnerships with the local community is vital for working towards our long-term objectives. To embody the ideological principles that PYX is built on, the Company is fostering economic growth through strategic investments to positively impact Kalimantan's financial and industrial sectors.

The Indonesian Red Cross Initiative

Since 2020, PYX has partnered with the Indonesian Red Cross Society for the annual Indonesian National Blood Donor Day. The event marks the third consecutive year of PYX's active involvement in this global initiative, driven by the profound impact that a single blood donation can have, potentially saving up to three lives. The blood donation event witnessed an impressive turnout, with 63% of local PYX staff (54 individuals) from the Indonesian subsidiary, PT Investasi Mandiri, participating in the event. The event occurred at the Company's factory in Tumbang Empas village. This initiative is significant because Indonesia relies on contributions from family and friends to supplement the shortage of blood supplies. Given Indonesia's population of 200 million, where one in three Indonesians is anticipated to require a blood donation, PYX takes pride in actively contributing to this worth while cause.

The Cultural Learning House for Children

In 2023, PT Investasi Mandiri embarked on an ambitious project, the construction of the Cultural Learning House for Children. The initiative aims to enhance the learning environment for the school children at SDN Tumbang Lampahung. The school is located beside the PYX Mandiri mine and has been consistently supported by the Company through various projects. The Cultural Learning House will serve as a dedicated space for the local school children to learn traditional dancing. Beyond that, it will also be a haven for reading and exploration of local arts. Construction began in mid-October and was expected to be completed before the end of 2023. The Cultural Learning House is a testament to the Company's commitment to providing children with a vibrant platform for learning, experiencing, and appreciating Indonesian culture, with a particular focus on Kalimantan traditions.

The Traditional Dance Initiative

In 2023, the PYX Cares Programme sponsored the Traditional Dance initiative, funding the construction of a traditional "Pendopo", also known as a dance hall. The purpose of the Pendopo was to offer dance lessons to girls aged 8 – 12 at the SDN Tumbang Lampahung. This initiative reflects PYX's commitment to preserving cultural traditions and fostering a sense of community amongst the younger generation in the surrounding area where the Company operates.

The Healthy Children Project

On 7 September 2023, PYX Resources, through PYX Cares, organised and funded an extensive health care examination for every student at SDN Tumbang Lampahung Elementary School. The health checks were offered to students aged 6 to 12 and administered with the support of the Tewang Pajangan Community Health Centre. This collaborative effort encompassed health checks, de-worming treatment, and comprehensive health education for the 98 local students, with active participation by the Department of Education, Youth, and Sports who volunteered for the event.

The health checks, endorsed by the local government, are driven by the objective of sustaining good health among school children while equipping them with the knowledge and tools necessary for maintaining their well-being, as they are the nation's future. Delivered by a team of 14 medical professionals, including general practitioners and nurses, with the support of 15 teachers, the check-ups included educational sessions on oral hygiene and de-worming procedures. Once all check-ups had been completed, each student received a supply of vitamins, milk, cereal, biscuits, and assorted juices donated by PYX for the children to take home.

The Healthy Children Project underscores PYX's commitment to the United Nations initiatives. The Company took the action to coordinate these examinations, firmly believing in dismantling the barriers to education and healthcare, with the stance that every child should grow into a healthy adult. As a local operator, PYX acknowledges its responsibility to support the local community in transforming their aspirations into reality. In line with this commitment, PYX is actively exploring avenues to increase the school's capacity, ensuring each child has a dedicated classroom instead of alternating between students. PYX asserts that as the Company flourishes, so should the local community.

Environment

PYX has been actively advancing sustainable programming in the communities where the Company operates. As a result, the Company established the PYX Cares programme to streamline these efforts, compassing the five core elements: **planet, people, prosperity, peace, and partnership**, all directed towards environmental conservation and supporting the local communities.

In 2020, the PYX Environmental Plan was introduced to mitigate environmental impacts and enhance sustainable practices. PYX Resources consistently exceeds both domestic and international standards, underscoring its dedication to sustainable operations. The Company acknowledges its social and moral responsibility to contribute to environmental preservation. Moving forward, PYX is exploring options and avenues to integrate renewable energy, aiming to reduce its ecological footprint.

Bengkirai' Yellow Balu' Tree Planting Initiative

On 20 July 2022, PYX Resources held a symbolic ceremony with four representatives of the Department of Environment, Forestry, and Transportation of Gumas Regency. During this event, the Company pledged to plant 10,000 Bengkirai trees in previously mined areas. In 2023, the Company planted 5,000 trees. The remaining 5,000 trees are scheduled to be planted by the end of 2025, marking a substantial effort by PYX Resources to preserve the environment on lands it previously operated on.

Sustainability

At PYX Resources, sustainability is at the core of our business operations. By fostering a culture of responsibility and embracing innovative efforts, PYX Resources strives to contribute to the well-being of the environment and local communities where the Company operates. Sustainable efforts are more than a goal at PYX Resources; they are fundamental values guiding our daily decisions and actions.

Zircon and Titanium Dioxide

Zircon and titanium dioxide are vital components in reducing the Global Footprint and facilitating the transition towards carbon neutrality.

Zircon remains pivotal in promoting a sustainable world by helping to lower carbon emissions, mitigating air pollution, supporting low-carbon energy generation, and providing solutions for sustainable living. Zircon's versatility can be seen across an array of industries. For instance, in construction, zircon enhances the solar reflectance of buildings, reducing the need for internal cooling. A recent Life Cycle Assessment conducted by the zircon Industry Association affirmed zircon's low environmental footprint, where it outperformed alternative materials in ceramic tile production. Additionally, zircon-based alloys contribute significantly to generating low-carbon electricity in the nuclear power industry. As the demand for sustainable materials increases, zircon's significance will continue to grow.

In the context of sustainability, titanium dioxide stands out as an environmentally friendly metal, renowned for its 100% recyclability. Its rust resistance facilitates recycling, so titanium dioxide has a more sustainable lifecycle. Furthermore, titanium dioxide plays a role in addressing air pollution by absorbing ultraviolet light and reflecting the entire visual spectrum, highlighting its diverse positive impact on environmental preservation.

Employee Training for Mitigating Climate Change

On 27 November 2023, PYX led robust employee training to mitigate climate change. In partnership with the Climate Change Control Centre in Kalimantan, PYX actively educates its workforce on climate change issues. This training followed a prior session on proper waste management held at the end of September 2023, showcasing PYX's ongoing commitment to compressive environmental education and sustainable practices.

The training was focused on enhancing employee knowledge and awareness regarding global warming and fostering active participation in mitigating its impact. Attendees gained valuable insight into climate change, its ramifications, adaptation strategies, anticipation measures, and effective mitigation practices. Officers from the Climate Change Control Agency were in attendance.

The climate change training session illustrates PYX Resource's commitment to sustainability. This dedication is manifested through implementing impactful environmental programmes aimed at combating climate change and comprehensive training initiatives such as this one, designed to heighten employee awareness of global warming. Recognising the substantial consequences of climate change on the environment and human lives, PYX Resources remains steadfast in executing ongoing mitigation strategies, actively engaging employees and collaborating with stakeholders in this vital effort.

Critical Minerals

Critical minerals are a group of raw minerals deemed essential for modern technologies, economic activities, and national security. These minerals are used in various industries, such as electronics, telecommunications, aerospace, defence systems, renewable energy, and transportation. Their adaptability makes critical minerals indispensable.

Critical minerals play a crucial role in advancing sustainability efforts, particularly in developing and implementing renewable energy technologies. The vulnerability of their supply chains to disruption adds to their critical importance.

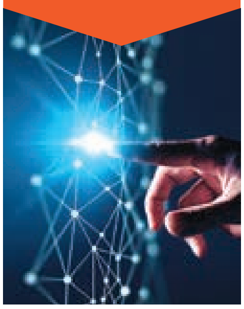
Transitioning to a low-carbon economy heavily relies on critical minerals. As a provider of critical minerals, PYX is committed to contributing to the efforts to address the supply chain vulnerabilities associated with these essential minerals because of their vital role in reducing dependence on fossil fuels.

Critical Mineral List:

- High purity alumina
- Arsenic
- Beryllium
- Chromium
- Cobalt
- Gallium
- Germanium
- Graphite
- Hafnium
- Indium
- Lithium
- Fluorine
- Magnesium
- Manganese
- Molybdenum
- Niobium
- Platinum-group elements
- **Rare-earth elements**
- Rhenium
- Scandium
- Selenium
- Silicon
- Tantalum
- Tellurium
- **Titanium**
- Tungsten
- Vanadium
- **Zirconium**

Key Uses:

Technology



Batteries

Electric Vehicles

Renewable Energy

Telecommunications

PYX's 2023 Sustainability Highlights

OUR TEAM

As of the end of December 2023:
Total Employees: 95

- **Local Representation:** Indonesian employees comprise 96% of the workforce.
- **Indigenous Representation:** Dayak staff account for 47% (up 2pp from 45% in 2022) of employees.
- **Female Representation:** Women make up 28% of the workforce (up 5pp from 23% in 2022).
- **Employment Type:** 100% of the workforce consisted of permanent employees at the end of December 2023.
- **Workplace Safety: ZERO** injuries resulting in lost time in 2023.

OUR ENVIRONMENT

- **ZERO** Material Environment Incidents in 2023

People, Planet, Prosperity, Peace & Partnership

People

PYX consistently prioritises the well-being of its employees, making substantial investments in their health and safety. This commitment is manifested through the implementation of various safety measures as well as providing them with vocational and educational opportunities.

Planet

PYX is persistently advancing sustainable initiatives to foster eco-friendly operations in Kalimantan and mitigate the threat of biodiversity loss. The PYX Management Plan monitors the Company's environmental impact in Kalimantan and outlines strategies for sustainable operations. The Company adheres to both domestic and international environmental standards. In a continued commitment to ecological diversity, PYX has undertaken the responsibility to replenish mining pits and cultivate native flora in areas in which it previously operated.

Prosperity

The Company actively contributes to the well-being of local communities in Kalimantan. PYX promotes economic growth by making meaningful investments and volunteering to support the region's economic and industrial development.

Peace

PYX Resources cultivates a harmonious work environment by promoting diversity and equal opportunities for all employees. Additionally, the Company emphasises providing employment opportunities to the local Dayak population.

Partnership

As a global leader in the mineral sands industry, the Company's guiding principles revolve around establishing relationships and partnerships within the communities where it operates.

Mineral Sands: Downstream Industries

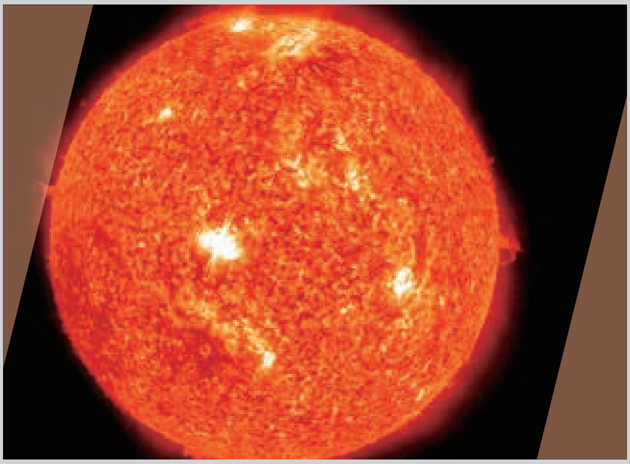
The 3rd Largest Producing Minerals Sands Company by Zircon Resources

Solar Panels

Zircon is a polymorphic mineral with a multifaceted set of properties that make it an essential material in a variety of industries. One notable application of zircon is in the production of doped titanium dioxide semiconductors, which are used in the manufacturing of high-efficiency solar panels.

By doping titanium dioxide with zircon, the resulting p-type semiconductor can optimise the conductivity of solar panels, enabling greater efficiency in converting sunlight into electricity. With the increasing demand for renewable energy sources, the use of zircon in solar panel manufacturing is expected to grow in the coming years, driving the growth of the global zircon market.

Beyond its application in solar panel manufacturing, zircon's intricate properties, such as its high refractive index, thermal stability, and low thermal expansion coefficient, make it an ideal material for a wide range of advanced applications.



Ceramics

Zircon plays a salient role in the ceramics industry, where it is the most widely consumed material. This industry accounts for more than half of all zircon mined globally, utilising zircon due to its exceptional characteristics, including high melting point, hardness, and chemical resistance.

While the production of tiles is the primary application of zircon in the ceramics market, accounting for over 85% of its utilisation, zircon has other diverse and significant applications as well. For instance, zircon can be used in the production of high-stress components, such as valves in oil and gas drilling equipment, abrasive and cutting machines used in manufacturing, and medical implants due to its biocompatibility.

Moreover, zircon's electro-ceramic properties make it a vital component in the production of capacitors, fuel cells, and electro-ceramic conductors used in automotive, aerospace, and telecommunications applications. The demand for zircon in these industries is expected to grow significantly in the future, driven by the increasing usage of high-tech devices and the need for clean energy sources.

The demand for zircon in the ceramics industry is also expected to rise in the future due to the increasing usage of ceramic products in construction and other sectors. This trend is likely to drive the growth of the zircon market in the coming years.

Nuclear Industry

Zirconium is a critical component used in the protective shielding layer for nuclear fuel rods. Its use in nuclear reactors is due to its exceptional properties, including its ability to absorb few neutrons released in a fission reactor, making it an ideal material for fuel cladding.

Moreover, zirconium is highly resistive to the effects of thermal and chemical corrosion, making it an ideal material for use in the harsh environment of a nuclear reactor. This resistance to corrosion helps to prevent the release of radioactive materials from the fuel rods, ensuring the safety and stability of the nuclear reactor.

In addition to its shielding properties, zirconium is also an excellent neutron moderator, which means it can slow down fast-moving neutrons, making them more easily absorbed by the fuel rods. This property makes zirconium an essential material for the control rods that regulate the nuclear reaction in the reactor.

Furthermore, zirconium has a low thermal neutron absorption cross-section, which means it captures fewer neutrons than other materials used in nuclear applications. This property helps to reduce the amount of waste generated during the nuclear reaction, making it a more efficient and environmentally friendly source of energy.

The demand for zirconium in the nuclear industry is expected to grow in the coming years due to the increasing usage of nuclear energy for power generation and the increasing demand for nuclear medicine.

Catalysts

Zirconia, derived from zircon, a versatile material that finds extensive use in various industries, including as a catalyst support material. It can be used at higher temperatures and in harsher environments, making it an ideal material for use as a supportive substrate and amplifier for other catalysts. Additionally, zirconia can also act as a catalyst in some reactions, making it a valuable material in the field of catalysis.

Zirconia-based catalysts are widely used in industrial applications, such as the production of chemicals and petrochemicals, where they help to improve the efficiency of the chemical reactions and reduce the energy required for the process. Zirconia's durability and resistance to chemical corrosion make it an ideal material for use in these applications, where the catalysts are exposed to high temperatures and harsh chemical environments.

Moreover, zirconia is used in the production of solid oxide fuel cells, where it acts as a catalyst support material. The catalysts in these fuel cells help to promote the reaction between hydrogen and oxygen, producing electricity, water, and heat. Zirconia's high surface area and thermal stability make it an ideal material for use in these applications, where the catalysts are exposed to high temperatures and corrosive environments.
Titanium dioxide (TiO_2) is another material that has been widely studied for photocatalysis. TiO_2-based catalysts are used in various applications, such as wastewater treatment, air purification, and self-cleaning surfaces. TiO_2's ability to absorb ultraviolet light and generate reactive oxygen species makes it an efficient material for use in photocatalytic reactions.

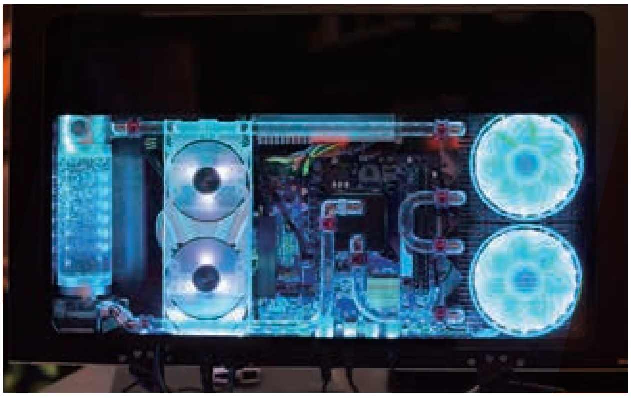
Consumer Electronics

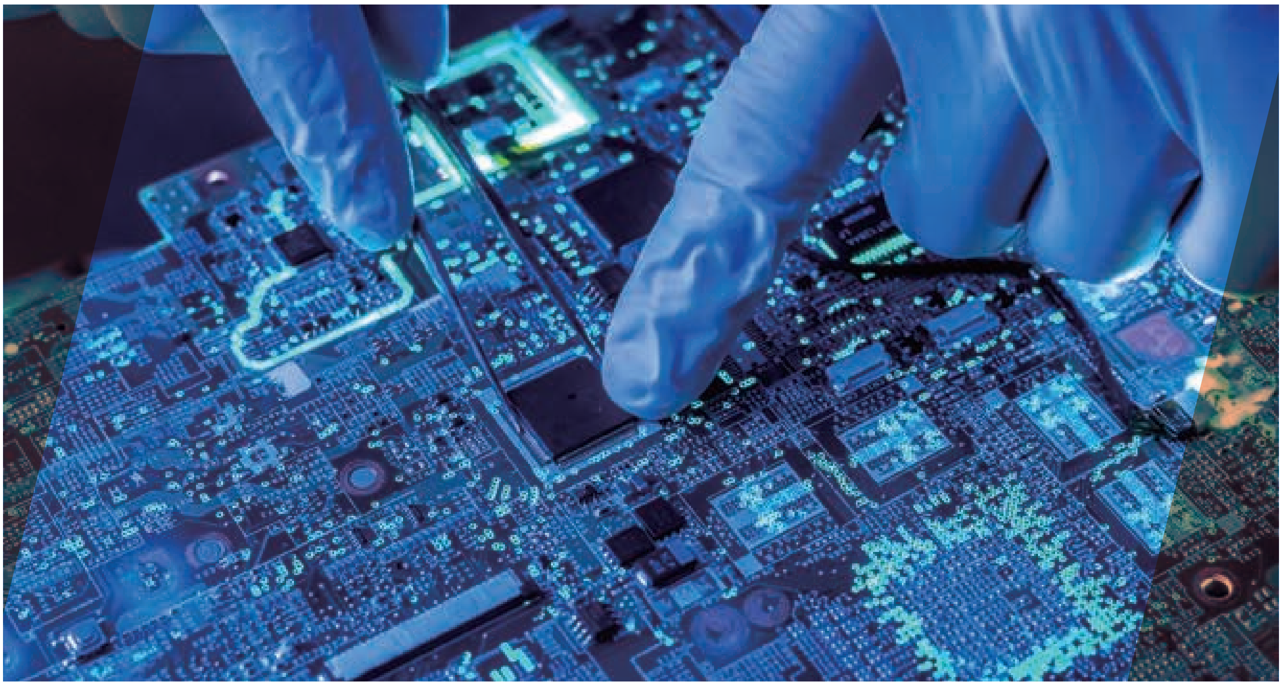
Zircon plays a crucial role in the consumer electronics industry. Zircon is part of a group of ceramic materials known as electro ceramics, which possess special electrical, visual, and magnetic properties that make them ideal for use in electronic devices.

One of the primary uses of zircon in the consumer electronics industry is in the production of capacitors. Capacitors are essential components used in electronic circuits to store electrical energy. Zircon-based capacitors offer high capacitance density, low leakage current, and excellent temperature stability. They are, therefore, ideal for use in high-performance electronics such as mobile phones, laptops, and cameras.

Another key area of application of zircon in consumer electronics is in the production of piezoelectric ceramics. Piezoelectric ceramics are used in various applications, including microphones, speakers, and actuators. These ceramics convert mechanical energy into electrical energy and vice versa, making them ideal for use in sensors and transducers. Zircon-based piezoelectric ceramics offer high sensitivity, low hysteresis, and excellent stability, making them ideal for use in high-precision applications such as cameras and other imaging devices.

Zircon is used in the production of magnetic ceramics, which are used in various applications such as magnetic sensors and data storage devices. Zircon-based magnetic ceramics offer high magnetic permeability, low magnetic loss, and excellent stability, making them ideal for use in high-performance electronics such as electric automobiles and other devices that require efficient data storage and transfer.





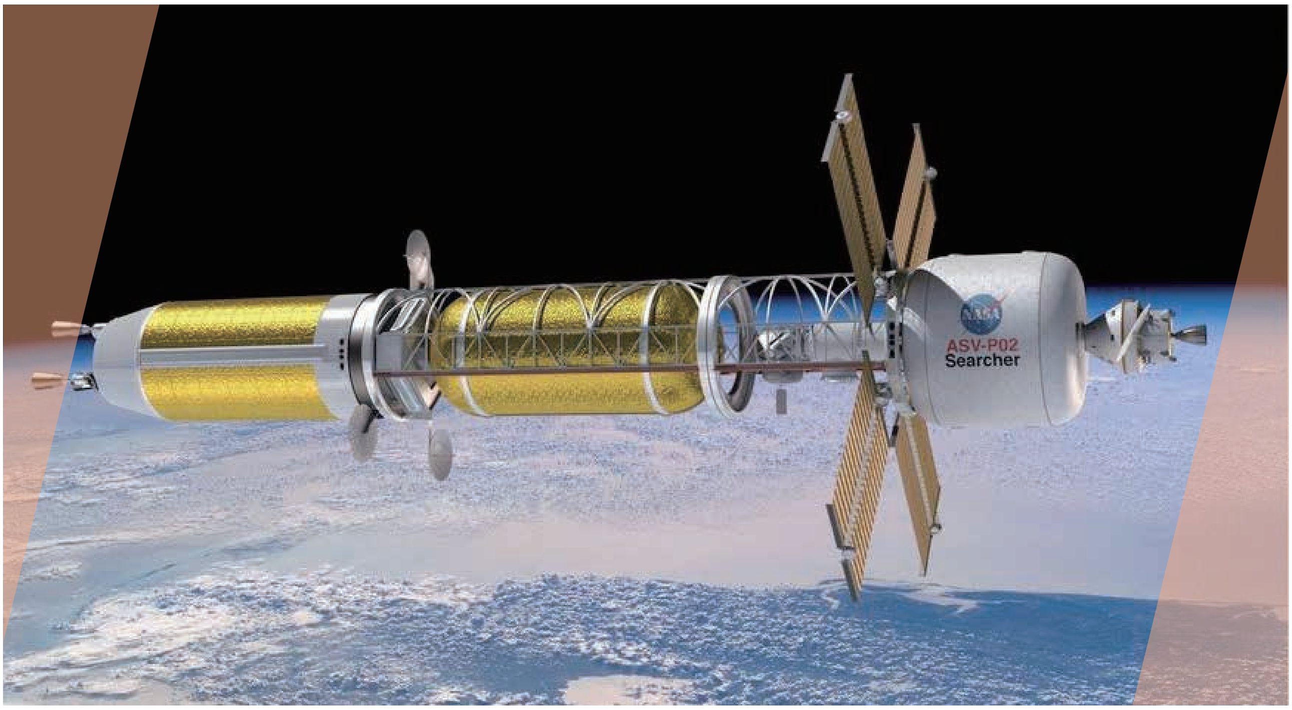
3D Printing and Medical Implants

Zirconium oxide, also known as zirconia, is a popular material used in 3D printing due to its unique properties. 3D printing with zirconia allows for cost-effective net-shape production with minimal material waste. This is because zirconia-based 3D printing can produce complex geometries with high precision and accuracy, reducing the need for post-processing and material removal.

One of the primary advantages of zirconia-based 3D printing is its excellent thermal stability. Zirconia has a high melting point therefore can withstand high temperatures, making it ideal for use in high-temperature applications such as aerospace and automotive industries. Additionally, zirconia-based 3D printed structures possess remarkable hardness and chemical and abrasion resistance, making them ideal for use in various industrial applications.

Another key benefit of zirconia-based 3D printing is its biocompatibility. Zirconia is an inert material that does not react with body fluids or tissues, making it ideal for use in medical applications such as implants and prosthetics. Moreover, zirconia-based 3D printing can produce anatomically accurate structures with high precision and accuracy, reducing the need for manual adjustments and customization.

Additionally, zirconia-based 3D printing can produce structures with high translucency and excellent light transmission, making it ideal for use in dental applications such as crowns, bridges, and other restorative procedures.

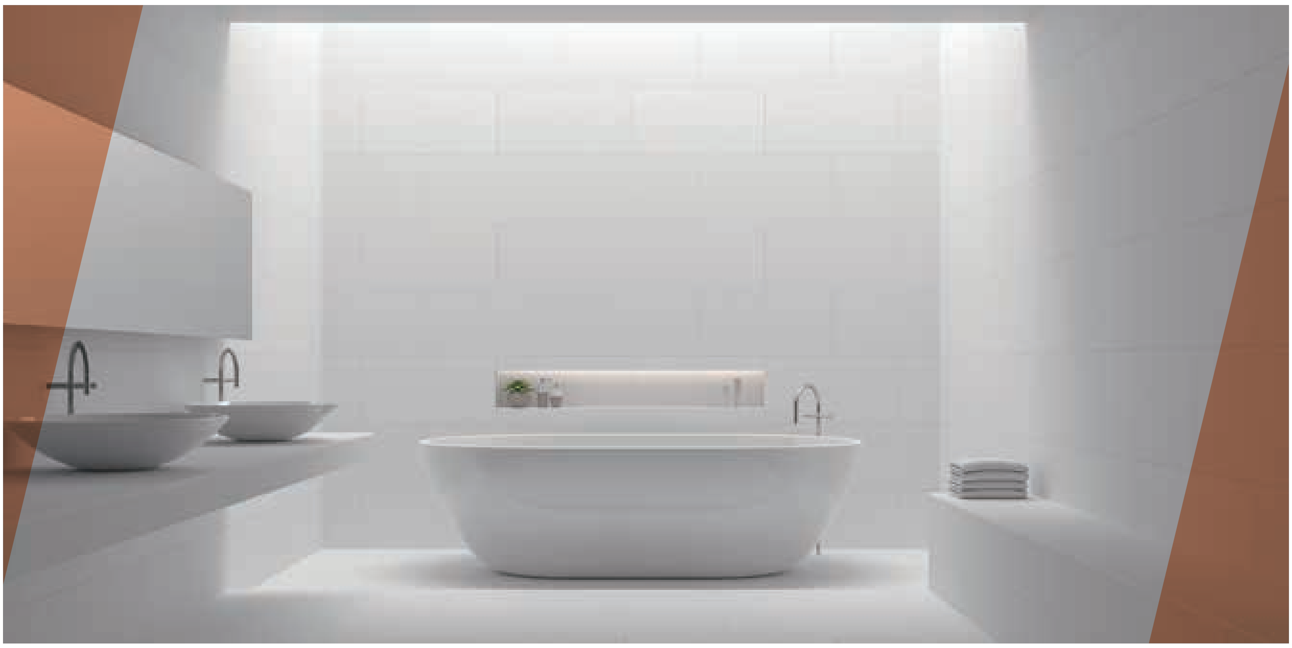


Pigments

Titanium dioxide and zircon are significant materials that play a vital role in the production of pigments for various end-use applications. In 2023, the majority of titanium dioxide was used as a pigment for various end uses, such as paints and coatings, plastics, paper, and inks. These pigments offer excellent whiteness, brightness, and visual appeal, making them ideal for use in a range of applications where high color intensity and visual impact are required.

In addition, titanium dioxide pigments offer excellent weather resistance, lightfastness, and chemical resistance, making them suitable for use in various high-end industrial coatings and specialty applications. With high chemical stability and durability, titanium dioxide pigments provide superior performance, making them a popular choice in the global market.

Similarly, zircon pigments offer a unique optical property that can be synthesised to produce a range of colors, including yellow, orange, red, and brown. These pigments offer excellent color stability, heat resistance, and chemical resistance, making them ideal for high-temperature applications such as ceramics, glass, and plastics. zircon pigments also provide excellent UV resistance and weatherability, making them suitable for use in various outdoor applications.



Household Essentials

Zircon is widely used in household essential products due to its unique properties. With its excellent heat resistance, high refractive index, and corrosion resistance, it is an ideal material for a range of applications, including glass panes for windows and doors, cookware, light bulbs, jewellery, cutlery, toothpaste, and reading glasses.

Zircon-based glass panes and induction cookers offer high thermal shock resistance and can endure high temperatures without cracking or breaking. Additionally, zircon-based light bulbs are highly heat-resistant and can withstand high temperatures without melting or degrading. This makes them well-suited for use in various household appliances and lighting fixtures.

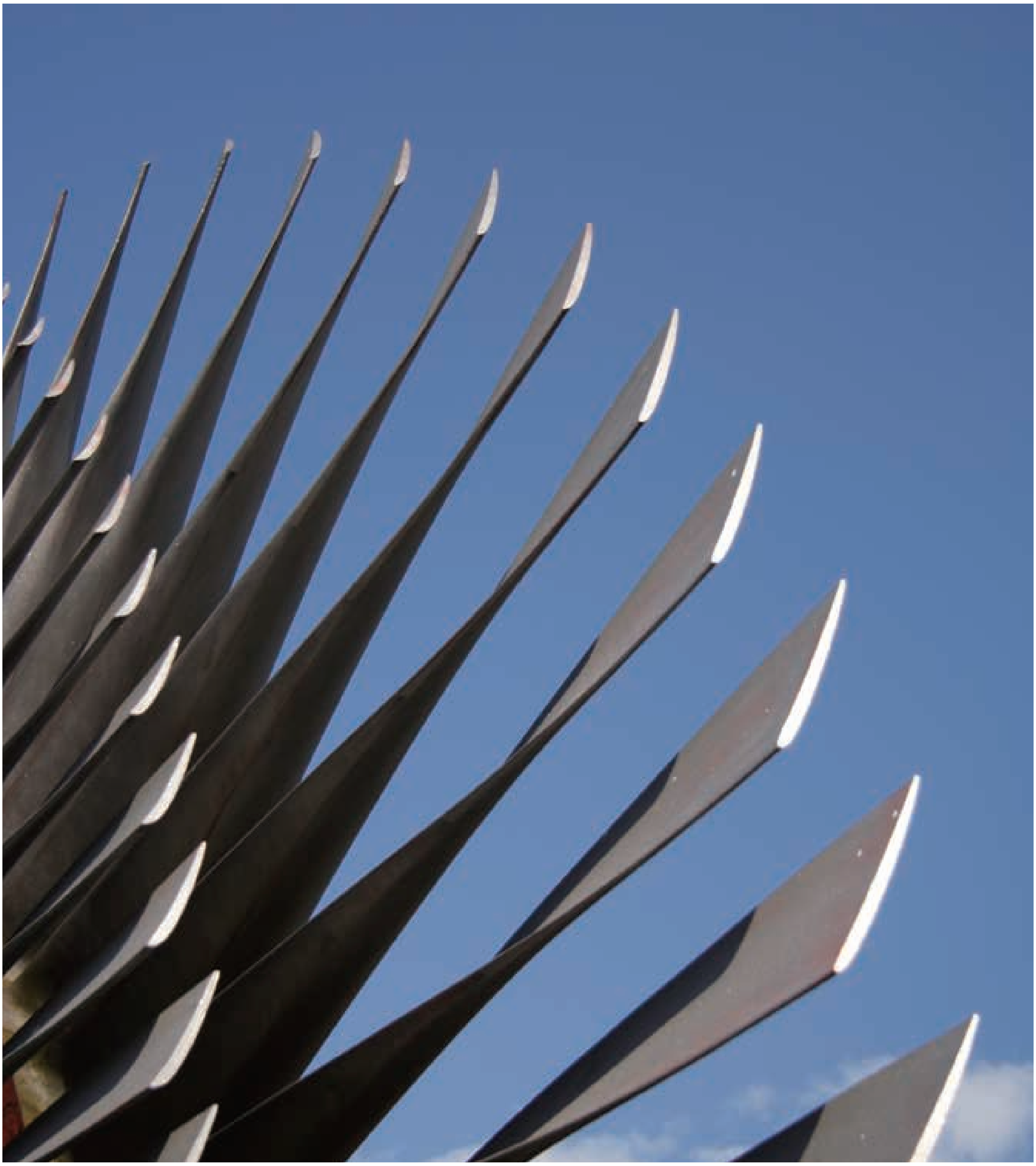
Zircon-based jewellery and reading glasses offer excellent optical clarity and durability, making them a popular choice among consumers. Zircon is also a common material in cutlery and cooking pans due to its excellent corrosion resistance and durability.

Zircon-based cookware is highly resistant to scratches, stains, and chemical corrosion, making it ideal for use in various kitchen applications.

Zircon's abrasive properties make it a prevalent ingredient in toothpaste. Zircon-based toothpaste offers excellent cleaning and polishing properties, making it ideal for maintaining oral hygiene and preventing dental problems.

Zircon: Powering Technological Advancements

Zircon's Role in Emerging Technologies



As the world races towards decarbonisation and Net-Zero emissions, critical technologies are at the forefront of global industrial strategies. Key sectors such as solar energy, nuclear power, and catalysis are making significant strides, with zircon emerging as a linchpin in these advancements. Its versatility has found applications not only in these established domains but also in cutting-edge innovations like 5G smartphones and 3D printing. Here's how zircon is shaping the technological landscape:

Pioneering Energy Solutions

- Zircon derivatives are spearheading innovations in dye-sensitised solar cells, potentially transforming architecture with solar-panel-like coloured glass windows. These windows, doubling as energy generators, may redefine home energy systems, overcoming limitations related to roof space.

- Zirconium oxide emerges as an economical and efficient alternative to semiconductor doping technology, promising a revolution in renewable energy adoption.

Bridging Energy Gaps

- Zirconium oxide stands as a beacon of hope in energy storage. These systems bridge gaps in renewable power sources' intermittency, providing energy when renewables cannot, paving the way to a fossil-fuel-free future for home power sources.

Uninterrupted Sustainability

- Nuclear power plants offer emission-free energy production with the added benefit of continuous operation. This technology proves indispensable in achieving Net-Zero goals, particularly in regions with less effective solar energy due to cold climates.

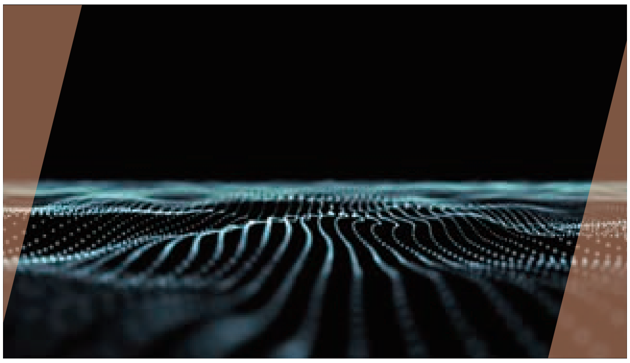
- Zirconium alloys, renowned for their structural integrity, find application in nuclear fuel cladding, meeting stringent safety requirements.

Powering Green Hydrogen

- Large-scale deployment of hydrogen storage relies heavily on zircon derivative $ZrMn_2$. Governments and industries worldwide are investing in green hydrogen production, considered pivotal in the journey to Net-Zero.

- Ongoing research and development efforts, such as Japan's for automotive applications and Mitsubishi Power's for hydrogen storage, hint at substantial market growth for this zircon derivative.

Catalyst for Clean Energy



- Yttria-stabilised zirconia (YSZ) takes the spotlight as an electrolyte material in solid oxide fuel cells. PYX's premium zircon, mined in Indonesia, boasts low uranium, thorium, and alumina content, enabling the production of fused zirconia for high-tech applications impossible with conventional zircon.

Boosting Connectivity

- Zirconia, compared to aluminum, offers ultrathin yet scratch-resistant phone case covers, enhancing signal strength, enabling wireless charging, and accelerating download speeds. Its radio wave transparency proves critical for high-frequency data downloads on 4G and 5G networks.

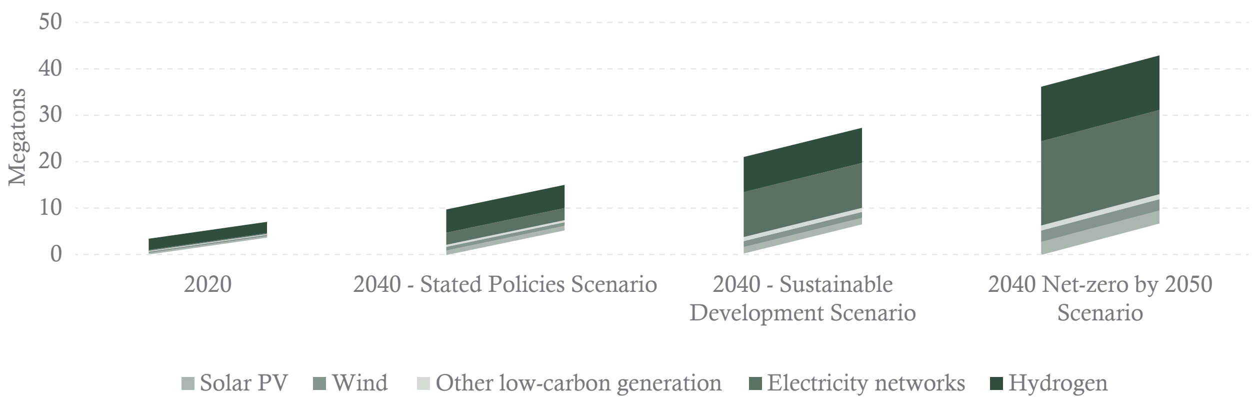
Precision Engineering

- Zirconium oxide (ZrO_2), with its exceptional mechanical properties, reigns supreme among ceramic framework materials for 3D printing, enabling the creation of dense and precise ceramics for a myriad of high-tech applications.

- In a world increasingly reliant on technological prowess, zircon emerges as a vital enabler, powering advancements that lead us towards a sustainable and Net-Zero future.

The journey towards net-zero Carbon and the Impact on Zircon Demand

Total mineral demand for clean energy technologies by scenario



https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/executive-summary

Zero Carbon Transition

Zero Carbon Transition

Extensive research conducted by both academic and industry experts paints a promising future for zircon's demand. Projections indicate that the Zero Carbon Transition could potentially catalyze a substantial surge in zircon demand, with estimates ranging from a 56% to 88% increase over the next two decades. Such exponential growth is rooted in zircon's ability to drive environmentally responsible practices. Pioneering studies commissioned by the zircon Industry Association (ZIA) and Praxair Technology unveil the remarkable potential of zircon. Compared to traditional alumina, the utilization of zircon offers a remarkable 16% reduction in Global Warming Potential (GWP). This critical reduction underscores zircon's pivotal role in mitigating climate change by diminishing the carbon footprint of various industries.

Solar Energy Revolution

Zircon plays a critical role in the manufacture of solar cells with zirconium-doped electrodes, forming an integral part of the zero carbon transition. The most significant changes and effects on zircon demands are categorized under the United Nation's (UN) Climate Action Pathways (CAP) as per Marrakech Partnership for Global Climate Action, an essential plan for energy systems worldwide to be decarbonised by 2050.

Contribution to UN's Climate Action Pathways (CAP):

Through the United Nations Climate Action Pathways (CAP), as part of the Marrakech Partnership for Global Climate Action, the UN sets forth a comprehensive plan for the decarbonization of energy systems worldwide by 2050. This initiative serves as a guiding framework for nations, industries, and organisations seeking to reduce their carbon footprint and transition towards sustainable, zero-carbon economies. As an integral partner in this global movement, PYX Resources aligns its strategies and contributions with the UN's climate action objectives, reinforcing its commitment to a greener, more sustainable future.

Replacing alumina with zircon for casting and refractory significantly reduces energy waste

Increase in zircon utilisation

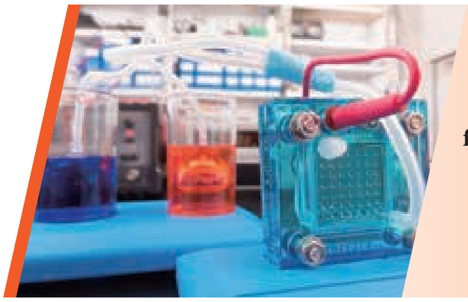
Decrease alumina utilisation

Industry Pathway

Zircon-containing ceramic roof and façade tiles increase solar reflection, decreasing cooling demand and minimising buildings' carbon footprint

Increase in zircon utilisation. by 6-10%

Human Settlement Pathway



Zirconia is widely used as the electrolysers material for hydrogen fuel cells and solid oxide fuel cells, a new renewable energy source

Increase in zircon utilisation by 15-18%

Decarbonisation Pathway

Zirconium alloys are used for nuclear energy (current capacity of 350GW expected to triple by 2050)

Increase in zircon utilisation by 15-20%

Decrease in fossil fuels utilisation by 2-5%

Alternative Sources Pathway

Cars and aircraft, manufacturers will use zircon to increase fuel efficiency, reduce the environmental impact

Increase in zircon utilisation by 10-20%

Decrease in other coatings by 1-5%

Transport Pathway

Advanced Applications of Titanium Dioxide

Photocatalysts and their Applications:

Photocatalysis is a chemical process that combines photochemistry and catalysis, utilising both light and a catalyst to trigger chemical reactions.

Photocatalysis, particularly using TiO_2 nanoparticles, has a wide range of practical applications in daily life, including:

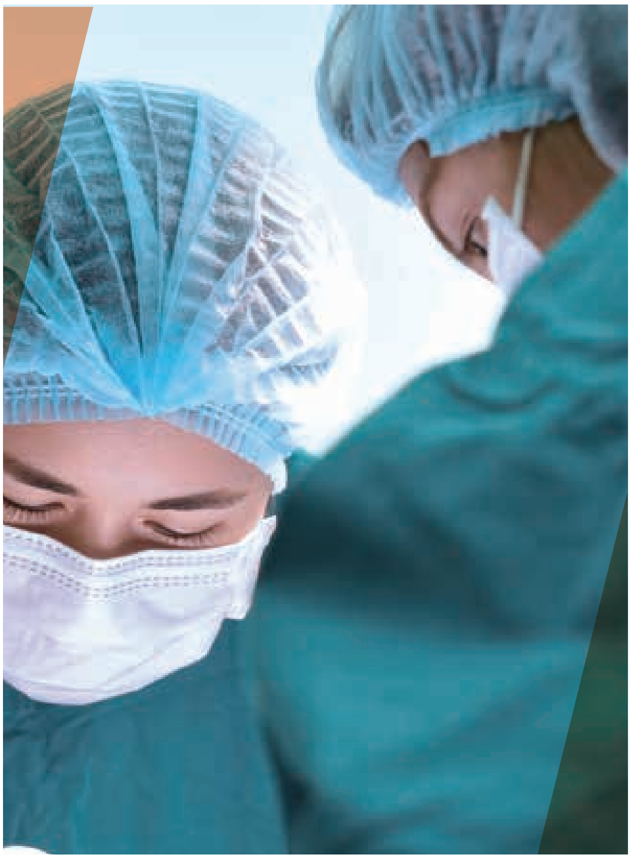
- Air purification
- Water purification
- Decontamination
- Antibacterial sterilisation
- UV protection
- Photocatalytic pollutant degradation
- Carbon dioxide reduction
- Sensing technology

Medical Implants and the Advantages of Titanium:

Titanium is highly biocompatible with human tissues, making it an ideal material for medical implants.

The use of titanium alloys in surgical implants is growing at a rate of 5-7% annually due to several benefits, such as:

- Lightweight
- Low elastic modulus
- Non-magnetic properties
- Non-toxicity
- Corrosion resistance
- High strength and toughness



Nanomaterial Products Utilising Titanium Dioxide:

Titanium dioxide is a popular material for nanomaterial products due to its unique properties, including transparency and strong ultraviolet light absorption.

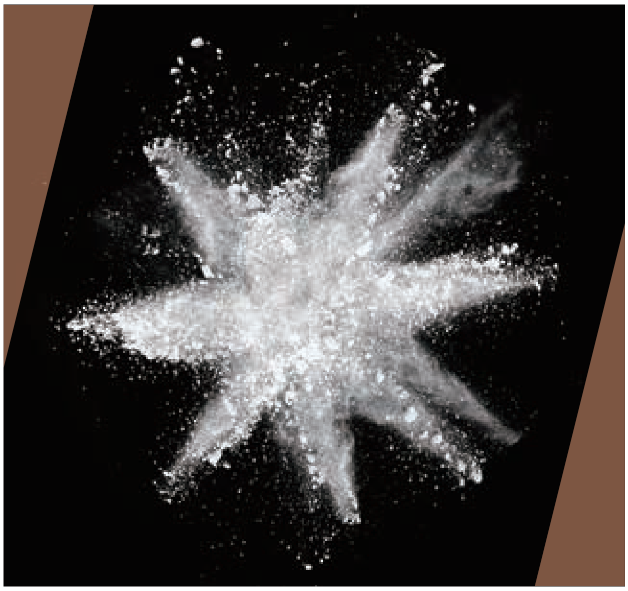
- It is commonly used in specialty chemicals, cosmetics, and sunscreens.

Titanium's Role in Aviation, Military, and Beyond:

High Strength-to-Weight Ratio: titanium offers an exceptional strength-to-weight ratio, making it highly valuable in various industries.

Its benefits, including fuel efficiency and corrosion resistance, make it widely used in:

- Aviation (aircraft engines and frames)
- Military applications
- Chemical and desalination plants
- Medical equipment
- Sporting equipment



Green Energy Transition Initiative

Titanium dioxide is a material with unique thermal and optical characteristics that make it an attractive candidate for green energy transition initiatives. Its potential applications in this field are numerous and promising.

While high-tech applications for TiO_2 are currently limited, the material is poised to experience dramatic growth in the coming years. With ongoing research and development, the potential applications of titanium dioxide in the field of green energy are vast, offering exciting possibilities for the future of sustainable energy.

Nanomaterial Products

Titania has found extensive use in a variety of thermal applications, including heat relief, photoprotection, heat storage, heat transportation, and solar thermal energy cultivation. Its unique properties make it an ideal material for these applications, offering high performance and durability.

The utilisation of titania in various forms, such as bulk titania, titania nanoparticles, titania-based nanofluids, and titania nanoparticle enhancement phase-change heat storage materials, has paved the way for exciting innovation and development in the field of thermal energy. These forms of titania have been extensively utilised in thermal applications and have demonstrated promising results in terms of their efficiency and performance.

Energy Harvesting

Titania has found extensive use in various energy harvesting applications, particularly in the harvesting of photoelectric and photothermal energy. Its unique properties make it an ideal material for these applications, offering high performance and durability.

One of the most significant applications of titania in energy harvesting is in the development of dye-sensitized TiO_2, which is used in Gratzel photoelectric solar cells, also known as dye-sensitised solar cells (DSSC). These solar cells generate electricity from solar energy and rely heavily on titania, which is the essential element of these solar cells. DSSC modules are significantly cheaper and produce good efficiency, making them an attractive option for the development of cost-effective and sustainable energy sources.

Thermal Energy Storage

Titania has found extensive use in thermal energy storage applications, particularly in the development of thermal energy-storing phase change materials (PCMs). These materials have good thermal storage capacity, although they may store thermal energy at a slower rate.

Innovations in the field of thermal energy storage have led to the development of titania nanoparticles, which have been found to improve thermal conductivity and offer various optical advantages. For instance, the addition of titania nanoparticles to polyethylene glycol (PEG) can significantly increase thermal conductivity by up to 26%.

Strategic Framework and Business Model

A Year of Transformation: PYX's Journey in 2023

The Tisma Acquisition: A Game-Changer

In a defining moment of 2021, PYX undertook a groundbreaking move with the strategic acquisition of the Tisma deposit in February. This acquisition has been nothing short of transformative, propelling PYX into the limelight as a dominant player in the global mineral sands industry. Rich in diverse minerals and strategically located near the Mandiri deposit, Tisma has elevated PYX's status to that of a leading producer of premium zircon. Furthermore, it's placed the company in an enviable position as the world's third-largest producer, complying with zircon-JORC standards.

Navigating Global Markets: Dual Listings

Throughout this transformational year, PYX continued its commitment to global markets. The dual listings on both the National Stock Exchange of Australia and the Main Market of the London Stock Exchange reaffirm the company's dedication to a broad shareholder base and financial stability.

London Stock Exchange

Mandiri: The Heart of Operations

Despite the remarkable strides made with the Tisma acquisition, the heart of operations remains steadfast at the esteemed Mandiri deposit. Nestled within the alluvium-rich region of Central Kalimantan, this world-class deposit has been the bedrock of operations since August 2015. Its strategic location, just 23 kilometres from Kuala Kurun and 100 kilometres north of Palangkaraya, provides PYX with a strong operational foothold.

Creating Synergies: Kalimantan's Zircon Hub

What truly sets PYX apart is the unique synergy unlocked between the Mandiri and Tisma tenements. This proximity has unleashed remarkable economies of scale, not only bolstering market presence but also consolidating zircon-rich deposits within the Kalimantan region. This strategic alignment positions PYX optimally for continued growth and success in the mineral sands industry.

PYX's Trailblasing Path to Value Creation in 2023

As we stride into 2023, PYX remains unwavering in its pursuit of unlocking value from our mineral sand assets. The journey of innovation and growth, guided by strategic mining and expansion, propels PYX into the future as a pioneering force in the mineral sands industry.

Pioneering Excellence

At PYX, our commitment to excellence is our north star. It drives the company to adopt cutting-edge mining processes, elevate asset valuations, and scale up the production of premium-grade zircon. PYX's Mandiri and Tisma deposits are more than just geological entities; they are pivotal resources in our mission to harvest, process, and market high-value heavy minerals, including zircon, titanium feedstock (rutile and ilmenite), all in the relentless pursuit of enhancing shareholder value.

The Art of Selection

Strategic success is an art form at PYX. The meticulous selection process identifies, nurtures, and acquires undervalued, world-class mineral assets. The selections are based on abundant resources, elevated zircon content, assemblage value, extended mine life, and strategic geographic placement. Positioned within countries actively engaged in China's Belt and Road Initiative, these assets align perfectly with the vision for regional integration, heightened trade, and economic growth across Asia, Africa, and Europe.

Innovation and Discovery

Innovation is in the company's DNA, driving exploration and testing initiatives. The management team has conducted comprehensive metallurgical analyses, revealing focal points of interest within the Mandiri tenement. The commitment to innovation is epitomised by the introduction of a Mining Field Test Unit, poised to potentially revolutionise operations upon successful testing. This innovation promises cost-effective extraction of high-concentration heavy mineral sands, a perfect match for the objective of meeting rising demand while optimising production costs.

Scaling New Horizons

At PYX mining pursuits are complemented by a relentless drive to expand and enhance processing facilities. In late 2021, the inauguration of a third production line in Mandiri's separation plant was a game-changer, surging production capacity by an impressive 33% in just 12 months, from 18 ktpa to 24 ktpa. This expansion fuels the production of premium zircon and amplifies the output of invaluable by-products such as rutile and ilmenite. PYX remains resolutely committed to the pursuit of world-class mineral assets.

The company's vision extends to expanding the resource base and cementing deposits as veritable zircon treasure troves within the Kalimantan region. With approximately 126 million tonnes of defined inferred mineral resources at the Mandiri current mining area, which is in production, and 137 million tonnes of mineral resources at Tisma, PYX has a substantial upside related to exploration of other areas with high potential in both Mandiri and Tisma tenements, as 46% of the concession area remains unexplored.

PYX's Premium Zircon Business

The Remarkable World of Zircon: From the Earth to driving Innovation

At the heart of Earth lies an extraordinary mineral, known as zircon – an inert, opaque gem within the nesosilicates group, bearing the scientific name zirconium silicate ($ZrSiO_4$). Extracted from the depths of the Earth, zircon embarks on a transformative journey, emerging as a coveted heavy mineral concentrate, commercially recognised as zircon sand. This remarkable mineral, with its diverse range of hues, plays a pivotal role across a wide spectrum of applications.

Powering Innovation

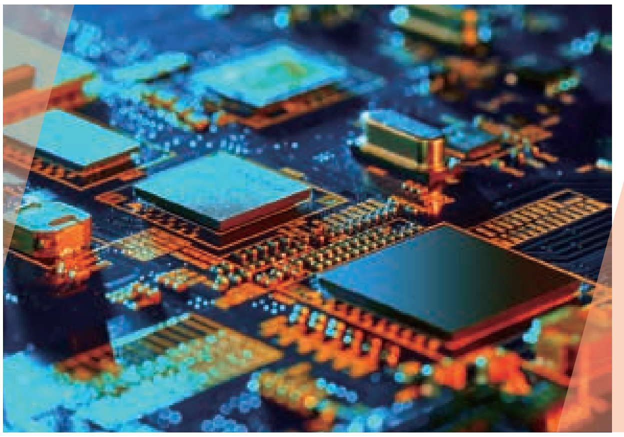
With dielectric and piezoelectric properties, zircon finds itself at the heart of innovation. It fuels advancements in telecommunications, empowers the automotive sector, and propels specialized electro-ceramics to greater heights, revolutionizing aerospace technology.

The Ceramic Artistry

Zircon's primary stage is set within the ceramics industry, where it emerges as a fundamental raw material. Its presence breathes life into premium tiles, porcelain masterpieces, industrial marvels, sanitaryware, dinnerware, and bathroom basins. Zircon is the artist's muse, contributing to the creation of glazes, enamels, frits, and pigments, elevating ceramic craftsmanship to new heights.

The Electrical Enigma

Zircon's influence extends to PZT electro-ceramics, essential to electrical products like microphones, microwave technology, and radio frequency power capacitors. In the chemical and foundry industry, zircon-based metals and chemicals are catalysts for growth, driving demand ever higher.



PYX: Seising Opportunities

Amidst this transformative landscape, PYX stands poised to seize opportunities. The undersupply and rising demand for zircon, particularly the high-grade variety, have created a favourable market environment. As existing reserves deplete and large deposits remain unexplored, the demand for zircon soars, driven by the world's insatiable appetite for zircon sand.

Beyond Ceramics: A Journey into the Future

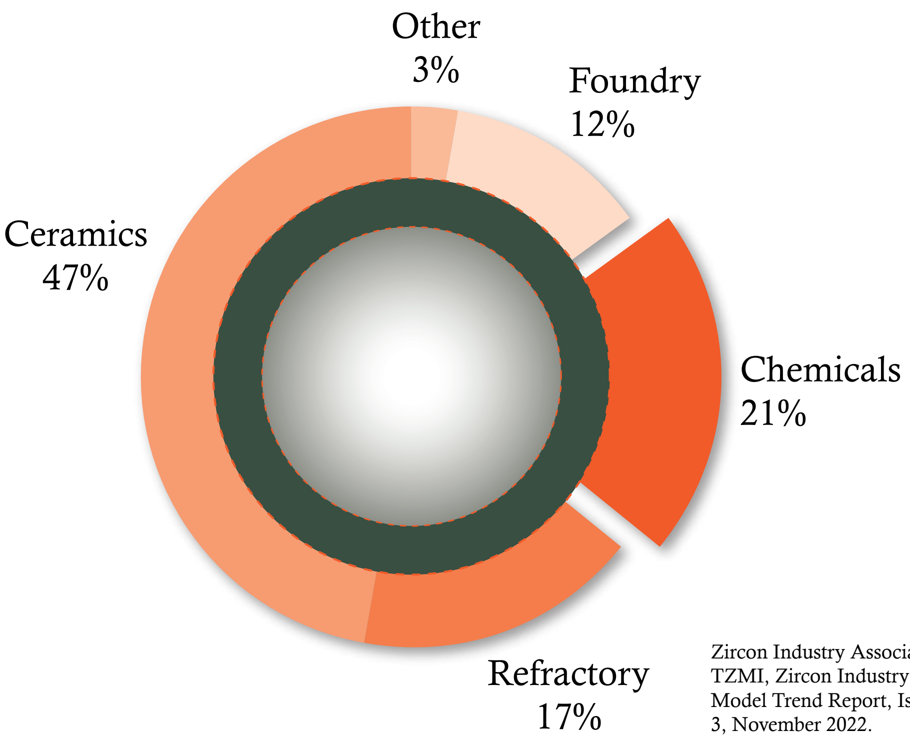
While zircon's legacy in ceramics is undeniable, it extends beyond. Zircon has emerged as an indispensable raw material for fuel cells, nuclear power plants, and diverse industrial manufacturing processes. In the world of minerals, zircon is not just a gem; it's the cornerstone of innovation, artistry, and industry – a mineral that continues to shape our world.

Green Alternative and a Gemstone's Best Friend

Zircon wears the badge of environmental friendliness with pride, offering a sustainable alternative to alumina, while also dazzling the gemstone world with the allure of cubic zirconia. In biocompatible ceramics, zircon takes on a vital role, supporting artificial joints, medical prostheses, and cosmetic dentistry. It even strengthens products as thermal insulators, enhancing efficiency.

Global consumption of Zircon by Industry

The ceramics sector stands as the largest consumer, utilizing zircon as a fundamental raw material for premium tiles, porcelain products, and more. Foundries and refractories rely on zircon as a refractory material, while the chemical industry employs zircon-based compounds in various applications. Zircon also plays a vital role in producing zirconium metal for nuclear and aerospace applications. Additionally, the gemstone industry values cubic zirconia. Electronics, telecommunications, and niche industries benefit from zircon's unique properties, contributing to its global consumption. The distribution of consumption can vary, but these sectors collectively drive the demand for this remarkable mineral.



Zircon Industry Association, TZMI, Zircon Industry and Model Trend Report, Issue 3, November 2022.

PYX's Titanium Dioxide Business

Titanium Dioxide Minerals: Illuminating Industries Worldwide

Within the mineral realm, titanium dioxide (TiO_2) minerals stand as indispensable contributors to the global TiO_2 pigment industry. This industry is dedicated to producing a pristine, light-reflecting substance known for its remarkable ability to absorb ultraviolet light. The applications of this pigment are extensive, finding utility in architectural and automotive paints, plastics, textiles, inks, and even the fabrication of welding electrodes. These minerals carry a notable distinction – they are biologically inert, non-fibrogenic, and non-toxic, making them safe and versatile for applications in food, pharmaceuticals, and cosmetics.

Radiating Brilliance: The Leading Role

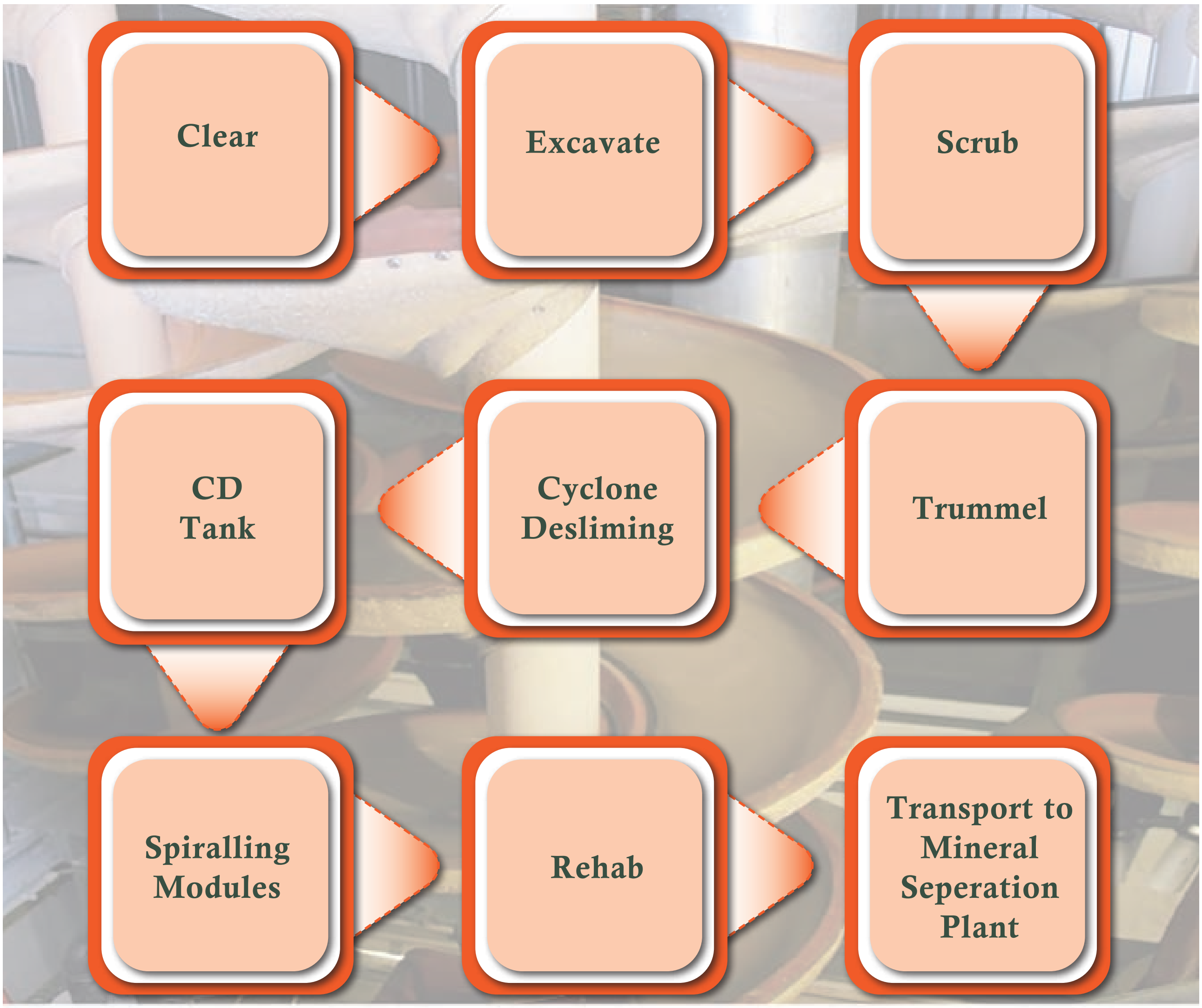
While titanium feedstocks play a diverse role across markets, it is the dynamic trio of ilmenite, leucoxene, and rutile that takes the forefront. Their prominence stems from their essential role in meeting the constant demand for titanium oxide pigment, accounting for a substantial 93% of global titanium feedstock consumption.

Evolution Beyond Pigment: Titanium's Transformative Journey

However, the journey doesn't stop at pigment creation. Rutile, synthetic rutile, and titanium slag possess the remarkable potential to evolve into titanium metal. This versatile metal, celebrated for its unique blend of strength and lightness, extends its influence into the domain of advanced engineering, spanning architectural coatings, aerospace innovations, defense applications, sporting equipment, and even the world of jewelry. Its resistance to corrosion deems it indispensable for desalination plants and industries dealing with corrosive substances. Remarkably, titanium metal finds its place within the human body, being utilized in hip replacements and heart pacemakers, attesting to its adaptability and safety in diverse medical applications.

PYX's Mining Capacity to Scale up

Mining and processing of mineral sands allow us to visually estimate the grade and composition of heavy minerals and valuable heavy minerals in every stage. PYX is currently undergoing capacity expansion of our wet pit pre-concentrator, which is designed to exploit zircon's extraction among other valuable minerals. The wet processing plant rejects non-valuable minerals through gravity separation and classification, immediately after being transported to the mineral separation plant (MSP), located 23km south to the Mandiri tenement, as a rich heavy mineral concentrate. PYX's forward-thinking approach allows for maximum efficacy, enabling the in-house field unit to serve as the foundation for scale-up in the near future. Part of the operating license for mineral sands mining is to complete the backfill and rehabilitation back to a pre-mining land usage.



Processing Plant Upgrade

The commitment to excellence in zircon production is reflected in the meticulous process at the Mineral Separation Plant (MSP). Each step is designed to ensure the highest quality of zircon products.

1. Initial Concentration

Wilfley Tabling Process: Commencing with the Wilfley tabling process, the procedure effectively separates heavy minerals, enhancing the purity of the concentrate, specifically isolating zircon from other minerals.

2. Drying and Cooling

Preparing for the Next Stage: Following initial concentration, the enriched concentrate undergoes drying and cooling, readying the material for subsequent processes while preserving its integrity.

3. Electrostatic Separation

Precision Separation: In this phase, advanced electrostatic separation techniques are applied to methodically separate metallic minerals from non-metallic and non-conductive minerals. This ensures that the zircon concentrate remains uncontaminated.

4. Electromagnetic Separation

Final Refinement: To achieve unparalleled purity, the zircon concentrate undergoes electromagnetic separation, further enhancing the quality of the products, particularly high-purity zircon. The final product proudly boasts a zircon content ranging between 66% and 68%.

The Mineral Separation Plant (MSP) stands as a testament to Mandiri's commitment to quality and innovation. With an installed production capacity of 2,000 tonnes per month, equivalent to a remarkable 24,000 tonnes per annum of premium zircon, the capability has been demonstrated. To date, over 37,000 tonnes of zircon have been produced, primarily consisting of the sought-after 65.5 grade zircon, renowned for its premium quality. The journey also unveils exciting potential in valuable by-products like rutile and ilmenite, adding new dimensions to the quest for excellence.

PYX's Logistical Advantage

Mandiri and Tisma Deposits

Accessible by Air

- Positioned near Palangkaraya's airport (PKY), the deposits offer convenient access from across the globe, with quick 1 ½-hour flights to Jakarta.

Mandiri Tenement Operations

- **Custom Infrastructure:** Mandiri's operations are designed with precision, featuring earth-based and asphalt roads, as well as an intricate network of tracks throughout the tenement.

- **Efficient Transport:** The separation unit strategically adjoins a national road, just 100 km north of Palangkaraya, and benefits from direct access via the Kahayan River, a promising low-cost transport route for conveying heavy mineral concentrates to the factory.

- **Energy Transition:** Plans are underway to connect the Mineral Separation Plant (MSP) to the municipal electric grid, transitioning away from diesel-fueled generators, a move that promises substantial energy cost reductions.

- **Future Accessibility:** In addition, a nearby private airport holds promise as a prospective new access point for the mine and factory.

Tisma Tenement

- Strategic Positioning: Located to the northwest of Palangkaraya city and just 75 km by road, the Tisma tenement is well-placed and offers direct access to the Katingan River, which flows into the Kahayan River.

Leveraging High-Volume Ports

- **Streamlined Exports:** The deposits are well-equipped to capitalize on high-volume ports at Sampit and Banjarmasin, ensuring efficient export processes without significant capital investments.

Port Klang Logistics Facility

- **Strategic Hub:** In the final quarter of 2022, PYX initiated operations at a pivotal logistics and inventory storage facility in Port Klang, Kuala Lumpur.

- **Global Connectivity:** Port Klang, ranking as the second largest port in Southeast Asia and situated on the bustling Malacca Strait, offers seamless connectivity to international markets.

- **Enhanced Supply Chain:** This facility not only reduces shipping times to end-use markets but also bolsters predictability of shipments, lowers shipping costs, and provides a safeguard against supply chain disruptions.

- **Business Advantages:** Operating within a Free Commercial Zone, the facility opens doors for expanded trade and manufacturing activities, strengthening the Company's operations and market presence.

Operating and Financial Review

During the 12 months to December 2023, the Company made significant headways in establishing itself as a leading player in the premium zircon market. Since its listing in February 2020, the Company has focused on delivering its strategy and creating shareholder value. The Company performed strongly during 2023 mainly due to a boost in premium zircon production and sales.

Consequently, FY 2023 revenue of US$22.7 million remain flat, while achieving a positive underlying EBITDA with an increase of net cash to US$7.8m, while remaining debt free. All this despite an average price decrease of PYX's premium zircon of 19%. Furthermore, PYX produced 14.8kt of minerals sands (zircon, rutile and ilmenite) in total, of which 11.8kt were premium zircon, representing a -11% and 31% year-on-year (YoY) increase respectively. YoY sales of premium zircon grew by 24% to 11.4kt. No sales of titanium stockfeed were made while the company awaited the modification of its rutile and ilmenite export licence, needed after the changes in regulation made by the Industrial and Trade Department for Export Tax Billing in December 2023. The Company also strengthened its finished goods inventories to 10.9kt (2022: 7.3kt) mainly a result of the increase of rutile and ilmenite production. Premium zircon inventories increased to 533t (17 days) from 438t at the end of 2022.

During this year, the Company's premium zircon market has been driven by Asia's demand, with little demand from Europe, the result of a sluggish global economy.

Since PYX's inception in 2020, the company has managed to sell all of its premium zircon production, mainly as a result of the high quality and scarcity. 2023 was not an exception, with the Company keeping its premium zircon inventory low and average price just 19% lower than 2022.

International premium zircon prices remained unchanged for H1 2023 despite weak international market conditions, and saw reductions during the last 5 months of the year.

Despite the economic turmoil, the Company ended the year with no debt and with US$7.8 million cash on its balance sheet.

2023 was a significant year for PYX's mining licences for Mandiri and Tisma. The renewal of a 10-year Izin Usaha Pertambangan Operasi Produksi (IUP-OP, Mining Operation and Production Licence) exploration and mining licence agreement for the Tisma project, which PYX has a contractual interest in, represents a significant milestone for the Company. The IUP-OP licence and newly issued RKAB Operasi Produksi Tahun 2023 (Working Plan and Budget) authorises the Company to extract, produce, and export 24kt of zircon, 20kt of rutile and 50kt of ilmenite, ensuring the extraction and production of other by-products, such as SiO_2.

This renewal, and access to this licence, solidifies PYX's position as a leading player in the mineral resources sector and opens up new opportunities for growth and expansion. The Directors believe 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.

Additionally, the Indonesian authorities have outlined the legislation for mineral sands companies to export ilmenite and rutile to international markets, following a change in Indonesian law. 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 receiving the same classification as zircon, as a Non-Metal Commodity.

The new law, 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. On 17th August 2023 the Company announced the award of the export licence for rutile and ilmenite. PYX started producing rutile in January 2022 and ilmenite in June 2022, and by the end of December 2023 it had stockpiled 9.8kt.

Sales and Revenues

	Year Ended 31 December 2023	Year Ended 31 December 2022	Year Ended 31 December 2021
Zircon Sales (tonnes)	11,350	9,122	6,855

	Year Ended 31 December 2023	Year Ended 31 December 2022	Year Ended 31 December 2021
Revenue (US$)	22,671,641	22,703,190	12,417,086

PYX has achieved significant milestones in its third year as a public company following its Australian IPO in 2020 and two years since its London Stock Exchange listing. The Company's strategy has resulted in a 24% increase in sales of premium zircon, from 9.1kt to 11.4kt, compared to the same period last year.

Revenues from sales of zircon for the reporting period were US$22,671,641, remaining constant compared to the same period in 2022, driven by the 24% growth in premium zircon sales volumes and despite the average sales price reduction of 19%. During 2023, PYX had an average premium zircon price of US$1,998 per tonne compared to our estimate of US$1,750 per tonne from the rest of the Indonesian suppliers.

The zircon prices in the near future will depend on the performance of the world economy and the output of the mining companies. PYX remains very bullish on the additional need of increased zircon supply. Also, with the amended rutile and ilmenite export licence, the company expects to increase sales during 2024. On one side through the increase of production volume and the other from the sales of the 9.8kt rutile and ilmenite it has in inventory at the end of 2023.

PYX's existing customer base consists of global blue-chip customers operating in various industries, sectors, and geographies. Through the strategy of market diversification, PYX was able to mitigate the strong reduction of demand coming from the western economies. During 2023 most of PYX's sales focused on India and China, with an increase of 126% of sales to India. During the period, PYX grew its customer base by 23%, zircon utilisers from around the world have been very keen to approve PYX's premium zircon as they seek to secure future supply and look for new competitive options.

All sales during the period continue to be in US dollars, reducing the risk of exchange rate exposure.

Mineral Separation Plant (MSP) Performance

	Year Ended 31 December 2023	Year Ended 31 December 2022	Year Ended 31 December 2021
Zircon (tonnes)	11,840	9,054	7,233
Mineral Sands (tonnes)	14,774	16,551	7,233

PYX's Mineral Separation Plant (MSP) continued with its grow in yearly production volume of premium zircon, reaching 11.8kt during 2023, representing a YoY increase of 31%. During the year produced 14.8kt of mineral sands (11.8kt of premium zircon, 0.2kt of rutile and 2.8kt of ilmenite), slightly under the previous year (-11%) since it did not focus on the tailings remaining in the mine and focused on premium zircon. Q2 and Q3 proved to be remarkable quarters with premium zircon production volumes of 3.8kt and 4.0kt respectively. This is an extraordinary result, demonstrating the Company's capability to produce at an annualized volume of approximately 16kt per year.

In December 2021, PYX announced that it had increased its capacity at its MSP by 33% to reach 24kt of premium zircon per annum. The additional 6ktpa capacity was to be utilised to start production of rutile and ilmenite during 2022. The 2023 results show that PYX's strategy and operational results are totally aligned. On one side, the factory had two Quarters running at production speeds of 16ktpa and on the other, the start of production of by-products of titanium Stockfeed.

The Company ended the year with 10.9kt of Minerals Sands in Inventory (0.5kt of premium zircon, 0.2kt of rutile and 9.6kt of ilmenite). Zircon inventories represent 17.1 days of sales and are already committed for in customer orders.

Income Statement Analysis

For the Full Year ending on 31 December 2023 (FY2023), PYX Resources maintained the sales revenue of US$22.7m and improved the underlying EBITDA from US$419k to US$676k. This is an important milestone for PYX, showing the strength of the plan implemented only 3 years before in 2020, when the IPO in Australia took place.

(US$)	FY2023	FY2022	FY2021
Sales revenue	22,671,641	22,703,190	12,417,086
Cash cost of production	(19,601,174)	(17,293,633)	(10,406,727)
Other income	28,900	8,043	1,089
Selling and distribution expenses	(1,222,886)	(2,120,337)	(950,745)
Corporate and other expenses[1]	(2,520,393)	(4,285,962)	(2,050,881)
Share-based Payment	(7,616,663)	(5,566,871)	(2,061,607)
Loss on FV charge of financial instrument	(1,685,242)	(2,297,990)	–
Foreign exchange loss	(93,864)	(487,174)	(350,011)
Non-capitalised listing expenses	–	–	(928,147)
EBITDA	(10,039,681)	(9,254,205)	(4,329,943)
Depreciation and amortisation	(360,999)	(242,502)	(187,877)
EBIT	(10,400,680)	(9,496,707)	(4,517,820)
Net financial expenses	(55,515)	(27,939)	(11,934)
Net loss before tax	(10,456,195)	(9,524,646)	(4,529,754)
Income tax	(161)	91,046	208,524
Net loss after tax (NLAT)	(10,456,356)	(9,433,600)	(4,321,230)
Other comprehensive income	43,142	(621,873)	18,634

1. Excluding depreciation and amortisation

Underlying EBITDA

(US$)	FY2023	FY2022	FY2021
EBITDA	(10,039,681)	(9,254,205)	(4,329,943)
Underlying EBITDA	676,301	419,289	(793,628)

2. Underlying EBITDA excludes extraordinary items including share-based payments and loss on fair value change, which are non-cash in nature.

PYX's underlying EBITDA for the period was positive US$676,301, a 61% increase from 2022. This is a remarkable result, considering that during the first 2 years of the project (2020 and 2021) the company was very much handcuffed as a result of the pandemic measures and the last 2 years were hit by a worldwide economic slowdown. The positive underlying EBITDA coming from operations was the result of the increased volumes, continued production of by-products, drastic capex reduction and tight control over general and administrative expenses. This is a significant achievement, considering the expansion of the corporate structure when compared to FY2020 to deal with the higher complexity resulting from the successful listing on the LSE and the challenging operating environment caused by the world-wide turmoil.

Net Profit (Loss) After Tax

PYX's net loss after tax for the period was US$10,456,356 mainly due to non-cash expenses incurred in fair value change of financial instrument of US$1.7m and the cancellation of 20,332,494 performance rights convertible into a maximum of 23,532,494 shares. According to Australian Accounting Standards Board 2, share-based payments should be settled or cancelled as an acceleration of vesting. All this with no effect on cash.

Cash and Cash Equivalents

At the end of December 2023, PYX remained debt free. The Company's cash and cash equivalent balance at the end of the FY2023 period was US$7,828,906 up from US$7,221,085 in FY2022. This is a result of an increase of operating working capital of US$1.9m needed to increase production, US$2.5m investment in capex and a positive US$5.1m of financial activities, mainly showing the strong support of our shareholders.

Market Outlook

Zircon[1]

In 2023, the zircon mining industry witnessed a promising start in Q1 as demand began to rebound; however, quickly faded in subsequent quarters. Q2 saw sluggish demand from China and Europe, while other key markets showed mixed conditions. The industry faced a weaker demand for zircon in Q3 which continued into Q4. This uncertainty in demand was augmented by escalating geopolitical risks, notably the Russia-Ukraine and Israel-Palestine conflict, coinciding with new mines entering the supply chain. Additionally, a shift in inventory holdings from consumers to producers further contributed to the market's unpredictability.

Chinese Demand Falls

In 2023, the subdued zircon demand in China was driven by the troubled real estate sector, resulting in an estimated steep 14% year-on-year drop in zircon demand within the Chinese ceramic market. Fierce competition in ceramics spurred cost-reduction strategies, leading to decreased zircon usage and a shift towards lower-grade zircon products. This trend extended across various zircon applications, all anticipating declines compared to the previous year. Although a slight recovery in zircon demand is foreseen for 2024, China, historically a pivotal market, is anticipated to exhibit growth aligned with a mature economy, with annual rates stabilising around 2.0-2.5%. Similarly, in Europe, despite an initial resurgence in Q1 2023, foundational zircon demand weakened in subsequent quarters due to elevated interest rates, diminished consumer confidence, and reduced construction activity, notably impacting sectors like ceramic tiles and sanitaryware.

[1] TZMI, TZMI Congress Singapore 2023

Low European Demand

The decline in zircon demand across Europe is substantiated by various indicators. Projections from building material and steel companies hint at a subdued outlook for Q4, signaling anticipated weakness in zircon demand from ceramic and refractory applications. Homeowners are also directing spending toward heat insulation rather than renovation projects, further impacting zircon demand. Public company commentaries reflect considerable uncertainty regarding the timing of a demand resurgence in Europe. Due to this heightened uncertainty, estimates suggest zero year-on-year growth in Europe's zircon demand for 2024 compared to 2023.

Near-Term Outlook

In the near term, the zircon demand landscape, especially in Europe, poses challenges. Factors such as elevated interest rates and diminished consumer sentiment are expected to limit a robust short-term rebound in ceramics demand across major markets. Furthermore, resilience in other zircon applications, like refractory and foundry uses in North America, appears to be fading, indicating a potential slowdown in Q4 2023. Major zircon suppliers have adjusted their output to align with these shifting demand dynamics. The global zircon market faces an oversupply of approximately 85,000-90,000 tonnes in 2023, with projections indicating a potential surplus of 150,000-160,000 tonnes in 2024 without further supply adjustments. Despite this, the weighted average zircon sand price has remained relatively stable in 2023 due to pricing discipline, though this might lead to reduced sales volumes as alternate zircon-containing minerals are available at lower prices. While the long-term need for additional supply remains evident, the current market uncertainty poses challenges in developing new projects, especially with several existing operations reaching their end of mine life between 2025 and 2030.

Titanium[2]

Ilmenite

In recent years, the acceleration in demand growth has been primarily fuelled by increased consumption in the beneficiation end-use, specifically for titanium slag and SR (synthetic rutile). This surge was driven by various factors such as catering to the expanding production of chloride pigment and titanium sponge in China and addressing the shortage of captive ilmenite for smelter feed. Notably, China accounted for all the growth in demand since 2010, while the Rest of the World (RoW) experienced a decline in demand.

The demand for sulphate ilmenite is anticipated to continue its upward trajectory due to its usage in both pigment production and beneficiation needs. Factors influencing this growth include a rebound in the global pigment market leading to increased pigment output in China and RoW, sustained growth in Chinese chloride slag output, and the establishment of smelters outside China lacking captive ilmenite sources. The gross supply of sulphate ilmenite has surged by 92% since 2010, largely driven by the commencement of new mines in Africa and the escalating output in China from 2015 to 2020, driven by domestic mine expansions and heightened concentrate imports. However, the global supply in 2023 remains relatively stable, with China's increases offset by declines in Africa.

Anticipated trends suggest that the global sulphate ilmenite supply will continue to grow, supported by factors like increased imports of heavy mineral concentrate (HMC) into China, expansions in existing mines, and the reactivation of idled orebodies in Sichuan, Yunnan, and Shandong due to favourable ilmenite pricing. New mines like Largo Resources Maracas Menchen, Baikal Amur Olekminsky, and Iranian Kahnooj are also contributing to this trend.

As of 2023, the sulphate ilmenite market appears balanced, but projections indicate a moderate surplus from 2024 onwards. However, a return to a deficit is not expected in the foreseeable future. Despite China's historical status as a significant sulphate ilmenite importer and its growing pigment sector, the demand for imported ilmenite might slow down in the next two years due to ample in-country supply, especially for sulphate ilmenite specifically suited for sulphate pigment production.

2 TZMI, TZMI Congress Singapore 2023

Rutile

Global rutile demand has faced a decline due to reduced supply availability, causing a shift in its end-use preferences from TiO_2 pigment towards titanium metal and welding applications. Expectations suggest relatively stagnant demand in the near term, with several major rutile mines nearing their end of life, particularly impacting Europe and Asia-Pacific regions outside China, the largest consumers of rutile. Unlike sulphate ilmenite, China's impact on global rutile consumption has been limited, primarily dominated by welding applications, with minor quantities utilised in the sponge sector.

The global rutile supply witnessed significant declines pre-2020 owing to resource depletion at various sites like Iluka Murray Basin and Sibelco, further diminishing in 2023 due to reduced output from Base Kwale and Sierra rutile amid weak market conditions. However, China's supply moderately increased in 2023 due to HMC imports from Sierra Leone. Projections suggest a slight decline in rutile supply in 2024 before a potential recovery in 2025, largely due to scheduled mine closures offset by new supply from Nordic Mining Engebø in the second half of 2024 and Iluka Resources Balranald in 2025.

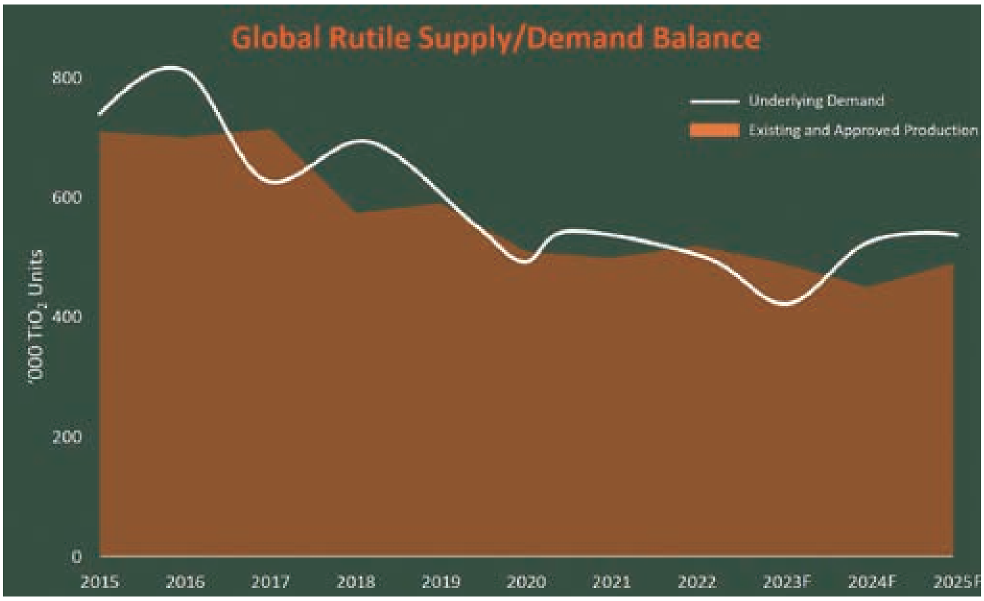
While a near-term market surplus is anticipated, this inventory surplus is expected to diminish over the next two years as downstream pigment industries recover. Despite the rise in Chinese chloride pigment and titanium Sponge production, their influence on rutile demand remains limited, with chloride slag remaining the preferred feedstock (see chart[3]).

Chloride Slag

The global demand for chloride slag is predominantly driven by its use in pigment production, with the remainder allocated to titanium metal. China's increased demand share began in 2019 due to rapid expansions in titanium sponge and chloride pigment capacity. This led to a substantial surge in global chloride slag production, witnessing a growth of 39% in the last three years compared to a mere 4% between 2010 and 2020. Despite estimated single-digit output growth in 2023, driven by factors like scheduled outages at Eramet TTI and reduced rates at Tronox's feedstock assets, chloride slag production is anticipated to grow significantly over the next two years, mainly concentrated in China.

Projects like KMS Thunderbird will supply ample smelter feed to Yansteel for processing into titanium slag. Modest increases are expected at western smelters in line with the recovery in pigment output. However, supply growth is outpacing demand, leading to a persistent chloride slag inventory surplus in the foreseeable future, with China rapidly expanding its production alongside increasing ilmenite feed availability and surplus sulphate ilmenite.

This surplus situation, the most significant since 2012-2013, primarily affects chloride-grade feedstocks in the near term, transitioning to sulphate feedstock surplus in later years. Despite projected demand recovery from 2024, substantial supply growth is expected to keep the market in surplus for the entire forecast period.



[3] TZMI 2023 Congress, titanium feedstock market outlook and rising Chinese influence

In Summary

At PYX, we remain very bullish on the mineral sands market in general. Not only is there a projected lack of supply, but also an increased need for zircon, titanium feedstock and rare earth for the transition to carbon zero and the development of future innovation.

According to TZMI, there is a cyclical overall zircon demand rebound for 2024 with a 2.7% year-on-year growth rate. They also expect long-term global zircon demand to grow at 2.6% per annum. Geographically, they expect India, the Americas and other Asia Pacific markets to be the long-term key growth drivers. Drivers include urbanization in emerging economies, decarbonization-related spending and renovation trends for developed economies.

Resources and Reserves

Geology and Mineralisation

The Heavy Mineral Sands (HMS) bearing stratum of the Mandiri and Tisma deposits are composed of ancient Kahayan alluvium, deposited during the Holocene age. In general, alluvium has varying thickness of between 2m and 10m. The lithology consists of loose quartz, medium grained intercalated grey mudstone containing carbonaceous, shale and bed load stream product, coarse grain sand layer.

Geologically the HMS deposit at Mandiri and Tisma are placer deposits formed in a flood plain environment by concentration of heavy minerals, mostly zircon ($ZrSiO_4$), rutile (TiO_2), leucoxene ($FeTiO_3$, TiO_2) and ilmenite ($FeTiO_3$). Zircon is the most valuable component followed by rutile, ilmenite and leucoxene in terms of value given to the ore. The deposit is overlain by the Werukin Formation. The Heavy Minerals (HM) within the source sediments attain an economic concentration by accumulation within low energy environments within streams and most usually on beaches. In alluvial placer deposits the medium to high energy zones on the stream are the meandering bars and channel zone. In these zones, the HM grains accumulate because they are denser than the quartz grains they occur with and become stranded. It is for this reason that alluvial placer deposits are often referred to as “strand-line deposits”. The deposits are found in unconsolidated sand stratum.

Mandiri

Mining Licence

PT Investasi Mandiri (PT IM) was granted mining permit Izin Usaha Pertambangan-Operasi Produksi (IUP-OP) for a total area of 2,032ha, by Bupati Gunung Mas, No. 16/DPE/IX/2010, on 2 September 2010.

On 29 June 2020, the Company announced that it has received notification from the Central Kalimantan Provincial Government, that after approval from the Energy and Mineral Resources Department of Central Kalimantan, the Company's application for the extension of the Production Operation Mining Activities IUP license had been granted for the maximum authorised period of 5 years until 1 September 2025, after which the license can be renewed for additional periods of 5 years. The Production and Operation IUP license allows PT Investasi Mandiri to carry out production operations including construction, mining, processing, and refining, transportation, and sales activities.

Regulatory amendments by Indonesian authorities have reclassified ilmenite and rutile alongside zircon as Non-Metal Commodities, allowing their exportation and as a result, ilmenite ($TiO_2 \geq 45\%$) and rutile ($TiO_2 \geq 90\%$) granted export licences as Non-Metal Commodities under regulation No. 13.

On 17 August 2023, PYX announced the receipt of the licence for the export of ilmenite and rutile ores from the Indonesian government, allowing it to extract, produce, and export 24kt of zircon, 20kt of rutile and 50kt of ilmenite, as well as extract and produce other by-products such as SiO_2. This followed the introduction of the new Indonesian regulation which allows the export of titanium dioxide with minimum grades of $TiO_2 \geq 45\%$ for ilmenite and $TiO_2 \geq 90\%$ for rutile.

The Company stockpiled 10kt of titanium dioxide feedstock up to the end of 2023 and, with the new export licence, PYX Resources started to expand its export opportunities and contribute to the global ilmenite and rutile market.

Licence held as at 31 December 2023

Licence	Location	Equity Interest		Beneficial Interest[1]	
		2023	2022	2023	2022
IUP 16/DPE/IX/2010	Central Kalimantan, Indonesia	0%	0%	95%	95%

1. Beneficial interest held through an Exclusive Operation and Management Agreement

The terms of the renewed permit, including payment of Indonesian taxes and the honouring of other financial obligations of PYX's subsidiary PT lnvestasi Mandiri, are set out in the IUP-OP.

A summary of some of the key provisions is provided below:

Royalty on zircon exported is 1.5%;

District tax of US$7.77 (IDR120,000) per tonne on the sales of zircon, payable to the regional government of Gunung Mas, Indonesia;

Dead rent is payable to the Government of Indonesia at a rate of US$4 per hectare per annum;

Corporate tax of 22% is payable and set by the Government of Indonesia;

Land and building taxes payable to the local government are applicable, at a rate of 0.5% based on taxable sales value;

Environmental obligations, including reclamation bonding and plans, approved by the local government as part of the mine approval process.

Table 1: Mandiri Mineral Resources above 2% HM lower block cut-off grade at 31 December 2023

Area	Category	Tonnage (Mt)		HM (%)		Slimes (%)		Oversize (%)	
		2023	2022	2023	2022	2023	2022	2023	2022
Mandiri	Inferred	126	126	7	7	9	9	16	16

Resource and Reserve Statement as at 31 December 2023

Mineral Resources, estimated by Australia-based Continental Resource Management Pty Ltd in 2019, for the Mandiri Heavy Mineral Deposit within mining permit lzin Usaha Pertambangan-Operasi Produksi are set out in Table 1. The resources are reported at a lower block cut off grade of 2% HM. As the mineral assemblage for the Mandiri Tenement is well established, the Valuable Heavy Mineral (VHM) content represents approximately 86% of the HM content in the Mineral Resource estimate.

The Inferred Mineral Resources for the Mandiri HMS deposit, at a lower cut-off grade of 2%, are estimated as approximately 126 Mt containing 7.4% HM, including 9% slimes and 16% oversize.

The mineral assemblage of the product from the Mandiri project is well established based on production records from the PTIM processing plant and confirmed by the certified laboratory analyses required by legislation for export product.

Table 2: Mineral assemblage and contained tonnes of the mineral components at 31 December 2023

Component	Zircon	Ilmenite	Rutile	Other	Waste+ H20	Total
Relative%	68%	9.5%	8.5%	1%	13%	100%
Contained mineral	6.0 Mt	0.8 Mt	0.8 Mt	0.1 Mt	1.2 Mt	8.8 Mt

Based on the data available, the tonnage of contained zircon, ilmenite and rutile, which together comprise the VHM is 7.59 Mt.

During the period 1 December 2019 to 31 December 2023, a total of 35,020 t of premium zircon grade 65.5%, 663 t of rutile and 9,768 t of ilmenite was produced from different parts of the Tenement. This small quantity of mineral is considered not to be material in terms of the total Minerals Sands resources and the Inferred Mineral Resource classification of the resource, and have not been depleted from the total Mineral Resource inventory. Consequently, the Mineral Resource inventory remains the same as reported in December 2022.

Resources are given in Table 3 below at various lower block cut-off grades of contained HM.

Table 3: Inferred Resources by lower block cut-off grade (unrounded)

Category	Lower Cut-off (HM%)	Cumulative Tonnes	HM %	Slimes %	Oversize %
Inferred	>8	43	8.5	9.2	16.4
	>7	88	8.0	9.2	16.2
	>6	112	7.7	9.1	16.2
	>5	125	7.5	9.0	16.3
	>4	126	7.5	9.0	16.2
	>3	126	7.4	9.0	16.2
	>2	126	7.4	9.0	16.1

There is only minor material consisting of less than 2% HM.

Ore Reserves

At present there are no Ore Reserves for the Mandiri Project.

Tisma

Mining Licence

Tisma is fully licensed with an IUP-OP permit, allowing the mining, production and export of premium grade zircon. The concession is owned by PT Tisma Global Nusantara (PTTGN) under mining permit lzin Usaha Pertambangan – Operasi Produksi (IUP-OP) No. 545/244/KPTSNI11/2012 issued on 1st August 2012. PTTGN has exclusive rights to perform exploration and mining works in the tenement area. On 23 February 2023, the Company announced that it has received notification from the Central Kalimantan Provincial Government, that after approval from the Energy and Mineral Resources Department of Central Kalimantan, the Company's application for the extension of the Production Operation Mining Activities IUP licence had been granted for the maximum authorised period of 10 years until 31 July 2032, after which the licence can be renewed for additional periods of 5 years. The Production and Operation IUP licence allows PT Tisma Global Nusantara to carry out production operations including construction, mining, processing and refining, transportation and sales activities.

On 15 August of this year, PYX announced that it has received approval to extract and process 48kt of premium zircon during 2023 from its second deposit Tisma.
The receipt of the Tisma RKAB – Rencana Kegiatan dan Anggaran Biaya 2023 (Work Plan and Budget) approval by the Energy and Resource Service Department from the Government of the Province of Central Kalimantan, is an important milestone in the Company's growth as it expands its ability to produce Minerals Sands from Tisma, which was acquired in January 2021.

The 2023 Tisma RKAB Work Plan and Budget includes:

- Mining operations
- Processing and refining
- Marketing and shipping
- Environment
- Mining safety
- Training; and
- Community development and empowerment

Licence held as at 31 December 2023

Licence	Location	Equity Interest		Beneficial Interest[1]	
		2023	2022	2023	2022
IUP 545/244/KPTSN 111/2012	Central Kalimantan, Indonesia	0%	0%	95%	95%

1. Beneficial interest held through an Exclusive Operation and Management Agreement.

The terms of the renewed permit, including payment of Indonesian taxes and the honouring of other financial obligations of PYX's subsidiary PT Timsa Global Nusantar, are set out in the IUP OP. A summary of some of the key provisions is provided below:

Royalty on zircon exported is 1.5%;

District tax of US$7.77 (IDR120,000) per tonne on the sales of zircon, payable to the regional government of Katingan, Indonesia;

Dead rent is payable to the Government of Indonesia at a rate of US$4 per hectare per annum;

Corporate tax of 22% is payable and set by the Government of Indonesia;

Land and building taxes payable to the local government are applicable, at a rate of 0.5% based on taxable sales value;

Environmental obligations, including reclamation bonding and plans, approved by the local government as part of the mine approval process.

Resource and Reserve Statement as at 31 December 2023

Based on an independent technical assessment carried out by Australia-based Continental Resource Management Pty Ltd, the HM mineralisation at Tisma occurs as a tabular body within alluvium as a layer of between 3.5 to 8.3 m thick. The overburden varies from 6 to 10 m in thickness. A dry bulk density was calculated for each ore block on the basis of its interpolated HM content according to the accepted industry standard formula SG = 1.686 + (0.0108 x HM%); The average density for the deposit is 1.75. The drilling completed to date covers 87% of the total tenement area.

The November 2020 JORC compliant Inferred Resource, at a 2% HM lower cut-off, was estimated to be approximately 137 Mt containing 4% HM that includes an estimated zircon content of 3% for approximately 4 Mt of contained zircon. Slimes and oversize are 15% and 25% respectively.

There is an additional estimated 0.08% rutile and 0.34% ilmenite, based on limited chemical analyses, but not included in the HM resource due to their confidence level not considered to be sufficiently high for their inclusion as a JORC compliant resource.

While gold was identified in some of the samples during the drilling, gold has not been included in the resource inventory due to the limited number of drill samples assayed for gold.

There has been no addition or depletion of the Mineral Resources at Tisma since the November 2020 JORC Mineral Resource estimate.

The predominant valuable mineral in the assemblage is zircon and its content can be quite accurately calculated from the zirconium analyses using zircon's formula of $ZrSiO4$. Laboratory analyses used to calculate the zircon content in the resource estimate were carried out at the Laboratory of Energy and Mineral Resources (UPTD) which is part of the Department of Energy and Mineral Resources of the Provincial Government of South Kalimantan.

Table 4: Tisma Mineral Resources above 2% HM lower block cut-off grade at 31 December 2023

Area	Category	Tonnage (Mt)		HM (%)		Slimes (%)		Oversize (%)	
		2023	2022	2023	2022	2023	2022	2023	2022
Tisma	Inferred	137	137	4	4	14	14	25	25

Table 5: Mineral assemblage and contained tonnes of the components at 31 December 2023

Component	Zircon	Rutile + Ilmenite	Other	Total
Relative%	82%	10.5%	7.5%	100%
Contained mineral	4.5 Mt	0.6 Mt	0.4 Mt	5.5 Mt

Based on the data available, the tonnage of contained zircon, ilmenite and rutile, which together comprise the VHM is 5.1 Mt.

Resources are given in below at various lower block cut-off grades of contained HM.

Table 6: Inferred Resources by lower block cut-off grade (unrounded)

Lower Cut-off HM %	Cumulative Tonnes	HM %	Zircon %	Slimes %	Oversize %
> 5	3	5.1	4.4	14	26
> 4	80	4.4	3.8	14	25
> 3	127	4.1	3.4	15	25
> 2	137	4.0	3.3	15	25

There is only minor material consisting of less than 2% HM.

Ore Reserves

At present there are no Ore Reserves for the Tisma Project.

Governance

PYX's governance arrangements and internal controls for reporting its Mineral Resources Estimate includes review and reporting of Company resources on an annual basis and in compliance with the 2012 Edition of JORC. The Company's governance of the Mineral Resource Estimate is a key responsibility of the Head of Mining. The Company reviews that the Competent Person for resources is suitably qualified and experienced as defined in the 2012 Edition of JORC.

Competent Persons Statement

The information in this Annual Mineral Resources Estimate Statement is based on, and fairly represents, information and supporting documentation compiled or reviewed by Mr. Phil Jones, a Competent Person who is a Fellow of The Australian Institute of Mining and Metallurgy. The Mineral Resource Statement as a whole has been approved by Mr. Jones. Mr. Jones is engaged by PYX and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Directors' Report

DIRECTORS' REPORT

Your Directors present their report on PYX Resources Limited ("PYX" or the "Company") and its controlled entities, (the "Group") for the financial year ended 31 December 2023.

The names of Directors of the Company, in office at any time during the period and up to the date of this report, are set out below. Directors were in office for this entire period unless otherwise stated.

Oliver B. Hasler (Chairman and Chief Executive Officer)
Bakhos Georges (Non-Executive Director)
Raden Sukhyar (Non-Executive Director) – appointed 28 November 2022
Alvin Tan (Non-Executive Director)

The length of service of each director is as follows:

Name	Length of Service
Oliver B. Hasler	3 years, 11 months
Bakhos Georges	3 years, 11 months
Raden Sukhyar	13 months
Alvin Tan	23 years, 6 months

Oliver B. Hasler; Chairman of the Board and Chief Executive Officer

Mr. Hasler is an accomplished chief executive, president and board member successfully leading world-class businesses and brands spanning multiple industries and markets, including natural resources, agri-industry, commodities, innovative manufacturing and various industrial sectors globally. He was named one of the top 50 CEOs in Spain by Forbes magazine.

His most recent accomplishment was the successful transformation of the publicly traded Spanish packaging company, Europac Group, in a short span of 3 years into a mid-cap company, which was acquired for a value exceeding US$2 billion. Major projects that Mr Hasler has participated in include a revision to the strategy of the Professional Division of Douwe Egberts, headquartered in the Netherlands, its joint venture with U.S.-based Mondelez, and the restructuring of France's Arc International.

Mr. Hasler has over 20 years of experience of doing business in Asia, where he has built and operated factories, as well as setting up distribution networks throughout the region, while managing significant export and import operations.

Mr. Hasler is a Swiss citizen with a degree in Materials Engineering and a Master's degree in Metallurgy from the Federal Institute of Technology in Zurich, Switzerland and an MBA with Honors from the Universidad lberoamericana in Mexico City. He is fluent in English, German, Spanish and French.

Bakhos Georges; Non-Executive Director

Mr. Georges has more than 40 years of experience in management and operation in the wholesale, retail and pharmaceutical sectors with significant direct involvement in internationally focused import and export operations.

Mr. Georges received the Order of Australia Medal (OAM) in 2019 for service to the community. He currently serves as Director of Saint Charbel's Aged Care Centre and is a Justice of the Peace (JP) in and for the State of New South Wales.

Mr. Georges received a B.Ph.Chem from University of Santa Maria in Caracas, Venezuela in 1982.

Raden Sukyar; Non-Executive Director

Dr. Sukhyar, a highly regarded geologist and Indonesian executive, has vast experience and knowledge of operating in Indonesia, including key government roles. He was appointed as Head of the Indonesia Geological Agency from 2008 to 2013, and as Director General of Mineral and Coal, Ministry of Energy and Mineral Resources from 2013 to 2015. In 2016 he was appointed as Adviser to the Minister of Industry of the Republic of Indonesia until 2019. He served as Commissioners of state-owned mining enterprises namely PT Timah (2002-2008), PT Aneka Tambang (2011-2015) and PT Petamina Geothermal Energy (2006-2009). He has been an independent Commissioner of PT Vale Indonesia since 2018.

Dr. Sukhyar was the Chairman of Indonesia Smelters and Mineral Processing Association from 2015 to 2017 and an adviser to professional associations such as The Indonesia Geologists Association ("IAGI") and Indonesia Mining Professional Association ("PERHAPI") and Indonesia Mining Association. He chaired the Steering Committee of the Cooperating Committee for Geoscience Programs in East and Southeast Asia ("CCOP") from 2010-2013, and currently is an Honorary Advisor of this organization.

In 1991 he received the Lasut Charter Award from the Indonesia Geologists Association and in 2009 he was awarded the Merit Medal for Working Dedication (Wirakarya) by the President of The Republic of Indonesia.

Dr. Sukhyar received his bachelor's degree in Geology Engineering from lnstitut Teknologi Bandung ("ITB"), Bandung Indonesia, in 1980. In 1990 he obtained his Doctorate Degree (Ph.D) in Earth Science from Monash University, Melbourne Australia.

Alvin Tan; Non-Executive Director

Mr. Tan has over 25 years corporate experience in Australia and Asia, including mergers, acquisitions, capital raisings and listings (on ASX, the Alternative Investments Market (AIM) of the London Stock Exchange, Kuala Lumpur Stock Exchange (KLSE) and the German Stock Exchange). Mr. Tan studied at the University of Western Australia, gaining a Bachelor of Commerce with honours, and subsequently was employed by KPMG in Kuala Lumpur from 1993-1995 as a financial consultant. Returning to Australia, Mr. Tan worked with the stockbroking firm of DJ Carmichael before pursuing other business interests. He was a founding director of various companies, which are now listed on the ASX. Mr. Tan served on the board of ASX listed Advanced Share Registries Ltd and previously listed BKM Management Ltd. He also has interests in companies in technology, mining, exploration, property development, plantation and corporate services both in Australia and overseas.

Company Secretary

Louisa Martino; Company Secretary

Ms. Martino provides company secretarial and accounting services through Indian Ocean Capital Pty Ltd. Prior to this, she was the Chief Financial Officer of a private company.

Ms. Martino has worked in corporate finance, assisting with company compliance (ASIC and ASX) and capital raising. She has also worked for a major global accounting firm with offices in Perth, London and Sydney, providing corporate advisory services on IPOs and M&A transactions and performing due diligence. Louisa's experience includes working for the Business Development Division of a government organisation, where she reviewed business opportunities for companies seeking Government funding.

Ms. Martino has a Bachelor of Commerce from the University of Western Australia, is a member of Chartered Accountants Australia and New Zealand, a member of the Financial Services Institute of Australasia (FINSIA) and a Fellow of the Governance Institute Australia.

Directors' Shareholdings

The following table sets out each current Director's relevant interest in shares of the Company or a related body corporate as at the date of this report.

Name	Fully Paid Ordinary Shares
Oliver B. Hasler	11,965,373
Bakhos Georges	–
Raden Sukhyar	–
Alvin Tan	795,798

Performance Rights, Options and Warrants

During the year the Company issued 80,000 Performance Rights. Of the total Performance Rights on issue, nil were exercised during the year, nil expired and 16,900,000 were cancelled. As at the date of this report, 160,000 Performance Rights are on issue which are able to be converted to a maximum of 240,000 Shares on the achievement of certain milestones.

During the December 2023 financial year, the Company issued nil options. The following options were issued during the December 2022 financial year and these remain on issue as at the date of this report:

- 2,083,431 options with an exercise price of £0.86 and an expiry date of 21-Mar-2025; and
- 2,323,645 options with an exercise price of £0.45 and an expiry date of 06-Dec-2025.

537,500 options to Tamarind Classic Resources Private Limited expired on 22-Feb-2023. These options had an exercise price of AUD1.00.

During the December 2023 financial year, the Company issued nil warrants. During the December 2022 financial year, the Company issued the following warrants and these remain on issue as at 31 December 2023:

– 3,000,000 warrants with an exercise price of £100 and an expiry date of 07-0ct-2025.

Performance Rights, Option holders and Warrant holders do not have any rights to participate in any issues of shares or other interests of the Company or any other entity.

Dividends

No dividend has been paid during the financial year and no dividend is recommended for the current period.

Directors' Meetings

The table below sets out the number of Directors' meetings held during the period and the number of meetings attended by each as a Director.

Name	No. Eligible to Attend	No. Attended
Board Meetings		
Oliver B. Hasler	4	4
Bakhos Georges	4	4
Raden Sukhyar	4	4
Alvin Tan	4	4
Audit and Risk Committee Meetings		
Oliver B. Hasler	2	2
Bakhos Georges	2	2
Raden Sukhyar	2	2
Alvin Tan	2	2
Remuneration and Nomination Committee Meetings		
Oliver B. Hasler	2	2
Bakhos Georges	2	2
Raden Sukhyar	2	2
Alvin Tan	2	2

Principal Activities

The principal activity of the Group is mineral sands exploration and development.

Review and Results of Operations

The loss after income tax and other comprehensive income of the Group for the year ended 31 December 2023 was $10,413,214 (31 December 2022 loss: $9,433,600).

A detailed review of the operations of the Group is set out on page 73.

On 23 February 2023 PYX announced that it has received notification from the Central Kalimantan Provincial Government (DMPTSP: Head of Investment Office and One-Stop Integrated Service Department of Central Kalimantan) that after approval from the Energy and Mineral Resources Department of Central Kalimantan ("ESDM"), PT TGN's application for the renewal of the license for the Tisma tenement has been granted for the maximum authorised period of 10 years, after which the license can be renewed for additional periods. The renewal of the tenement license allows PT. Tisma Global Nusantara ("PT TGN") to continue to perform exploration and mining works in the tenement area.

On 7 August 2023 the Company advised that there has been a change in Indonesian law, issued by the Ministry of Trade of the Republic of Indonesia, under regulation No. 13, allowing Indonesian mineral sands companies to export ilmenite and rutile as a Non-Metal commodity, the same as zircon.

On 15 August 2023 the Company received approval to extract and process 48kt of premium zircon during 2023 from its second deposit – Tisma and on 17 August 2023 Mandiri received the licence for the export of rutile and ilmenite ores from the Indonesian government. The Company, which announced the start of rutile production on 12 January 2022 and ilmenite production on 27 June 2022, had been stockpiling the material, and by the end of December 2023, accumulated 9.8kt of these minerals. The IUP-OP license and newly issued RKAB Operasi Produksi Tahun 2023 (Working Plan and Budget) authorises the Company to extract, produce, and export 24kt of zircon, 20kt of rutile and 50kt of ilmenite, ensuring the extraction and production of other by-products, such as SiO_2.

Significant Changes in the State of Affairs

Other than as discussed in the Review of Operations and noted below, there have been no significant changes in the Company's state of affairs during the period.

Significant Events after Balance Date

No matters or circumstances have arisen since the end of the financial period, which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years other than as mentioned below:

On 5 January 2024, the Company advised that a change introduced in December 2023 by the Indonesian Industrial and Trade Department for Export Tax Billing, requires the exporter to use two types of Port, Loading Port and Export Port. The licence, which the government originally issued to the Company only stated the loading port in Banjarmasin. A request to modify the licence has been made to the Trade Department.

On 17 January 2024 the Company announced a change of auditor to Pitcher Partners BA&A Pty Ltd commencing the financial year ended 31 December 2023.

Environmental Issues

The Group is not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board is not aware of any breach of environmental requirements as they apply to the Group.

Likely Developments and Results

The Directors believe that likely developments in the preparations of the Group and expected return from the operations have been adequately disclosed in this report.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or its controlled entities, or to intervene in any proceedings to which the Company or its controlled entities are a party, for the purposes of taking responsibility on behalf of the Company or its controlled entities for all or part of those proceedings.

Indemnifying Officers and Auditors

During the financial year, the Company paid a premium in respect of a contract insuring all its Directors and current and former executive officers against a liability incurred as such a director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Group against a liability incurred as such an officer or auditor.

Non-Audit Services

An amount of US$nil (2022: US$nil) was paid to the external auditor during the year for non-audit services. The Directors are satisfied that any non-audit services provided during the year ended 31 December 2023 did not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Rounding

The company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report are rounded off to the nearest (dollar/thousand dollars/hundred thousand dollars/million dollars), unless otherwise indicated.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307c of the Corporations Act 2001 in relation to the review for the half year is provided with this report.

This report is presented in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001 and is signed for and on behalf of the Directors by:

Remuneration Report - Audited

The Remuneration Report sets out the remuneration arrangements for PYX Resources Limited for year ended 31 December 2023. The Remuneration Report forms part of the Directors' Report and has been audited as required in accordance with the Corporations Act 2001.

There were no company executives and other key management personnel who were not also Directors of the Company for the financial year.

The remuneration report is set out under the following main headings:

A. Remuneration Philosophy
B. Remuneration Structure
C. Remuneration Approvals
D. Remuneration and Performance
E. Details of Directors' Remuneration
F. Compensation Performance Rights and Options Granted, Exercised or Lapsed During the Financial Year
G. Share-based Compensation
H. Equity Instruments Issued on Exercise of Remuneration Performance Rights and Options
I. Other Transactions with KMP and/or their Related Parties
J. Shareholding of KMP

The remuneration arrangements detailed in this report are for the Chairman and Chief Executive Officer and Executive and Non-Executive Directors during the financial year as follows:

Oliver B. Hasler	Chairman and Chief Executive Officer
Gary J. Artmont	Non-Executive Director (ceased 31 August 2022)
Bakhos Georges	Non-Executive Director
Raden Sukhyar	Non-Executive Director (appointed 28 November 2022)
Alvin Tan	Non-Executive Director

The previous remuneration report was considered at the Company's last Annual General Meeting held on 16 May 2023, with 100% of shareholders voting to adopt the report. There were no comments on the previous remuneration report that were discussed at that Annual General Meeting and shareholders approved the remuneration report.

A Remuneration Philosophy

Key management personnel ("KMP") have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Directors of the Company. The performance of the Group depends upon the quality of its key management personnel. To prosper, the Group must attract motivate and retain appropriately skilled directors and executives.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining, and motivating people of the highest quality. The Company has adopted a Stock Incentive Plan to:

a. establish a method by which directors or employees of the Company (Eligible Persons) can participate in the future growth and profitability of the Company;
b. provide an incentive and reward for Eligible Persons for their contributions to the Company; and
c. attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

A remuneration consultant has not been employed by the Group to provide recommendations in respect of the remuneration, given the size of the Group and its current structure.

B Remuneration Structure

Chairman and Chief Executive Officer

Mr. Hasler's employment with the Company is compensated by Phoenician Management Services Limited which has entered into a management service agreement with PT lnvestasi Mandiri for the provision of his services as an Executive Director of the Company, once the Company acquired PT lnvestasi Mandiri. Appointment shall cease if Mr. Hasler is terminated in accordance with the terms of his employment arrangements, resigns or ends his term in accordance with the Company's Constitution. Mr. Hasler received US$682,500 for the 2023 financial year (2022: US$650,000).

Non-Executive Directors

There are formal agreements with the non-executive Directors. Appointment shall cease if a non-executive director is not re-elected as a director by shareholders, resigns or ends their term in accordance with the Company's Constitution. All Non-Executive Directors are paid via their director-related entity, with the exception of Mr. Bakhos Georges and Dr. Raden Sukhyar who were paid directly. There is no service period unexpired within these contracts as they are month to month.

Mr. Georges' director fee accrues on a monthly basis at US$26,547 for the financial year (2022: US$27,724).

Dr. Raden Sukhyar's director fee accrues on a monthly basis at US$26,547 for the financial year (2022: US$4,497).

Mr. Tan's Director fee accrues to his related entity on a monthly basis at US$26,547 for the financial year (2022: US$27,724).

No other agreements with key management personnel or their controlled entities during the financial year have been entered into.

The Group currently does not offer any variable remuneration incentive plans or bonus schemes to Non-Executive Directors or any retirement benefits and, as such, there are no performance related links to the existing remuneration policies.

Total compensation for all Non-Executive Directors, last voted upon by shareholders at the Company's 13 December 2019 General Meeting, is not to exceed AU$700,000 per annum.

C Remuneration Approvals

The Shareholders and Board of Directors approved to grant the Chairman and Chief Executive Officer, Mr. Oliver Hasler, performance rights under the Company's Stock Incentive Plan (refer 2020, 2021 and 2022 Annual General Meetings). These performance rights were set at levels to reflect market conditions and non-market conditions and to encourage continued service.

Subsequent to this approval, it was agreed in May 2023 that all performance rights held by the Chairman and Chief Executive Officer were cancelled in order to reflect a clearer picture of the financial performance of the Company.

D Remuneration and Performance

Executive and Non-Executive Director remuneration is currently not linked to either long-term or short-term performance conditions. The Board is of the view that current remuneration is a sufficient, long-term incentive to align the goals of the Directors with those of the shareholders to maximise shareholder wealth, and as such, has not set any performance conditions for the Executive and Non-Executive Directors of the Company. The Board will continue to monitor this policy to ensure that it is appropriate for the Group in future years.

2023	Short-Term				Long-term	Share-based payments	TOTAL	Total performance related
	Salary fees **	Cash bonus	Non-monetary	Other fees	Incentive plans			
	US$	US$	US$	US$	US$	US$	US$	%
Directors								
Mr. Hasler*^	682,500	–	–	–	–	–	682,500	–
Mr. Georges**	26,547	–	–	–	–	–	26,547	–
Dr. Sukhyar**	26,547	–	–	–	–	–	26,547	–
Mr. Tan	26,547	–	–	–	–	–	26,547	–
Sub-total	762,141	–	–	–	–	–	762,141	–
Other key management personal								
None								
Sub-total	–	–	–	–	–	–	–	–
Total	762,141	–	–	–	–	–	762,141	–

* Mr. Hasler is compensated by Phoenician Management Services Limited which has entered into a management service agreement with PT Investasi Mandiri for the provision of his services as an Executive Director of the Company.

** All directors' fees were paid to the Directors' related entities, with the exception of Mr. Georges and Dr. Sukhyar.

^ 5,515,195 options were cancelled during the year, as a result of Mr. Hasler voluntarily agreeing to give up his entitlement to these options. $7,579,050 was expensed as a result of this cancellation as a share-based payment.

2022	Short-Term				Long-term	Share-based payments	TOTAL	Total performance related
	Salary fees ***	Cash bonus	Non-monetary	Other fees	Incentive plans US$	US$	US$	%
Directors								
Mr. Hasler*	650,000	–	–	–	–	5,515,195	6,165,195	89.5
Mr. Artmont**	18,931	–	–	–	–	–	18,931	–
Mr. Georges	27,724	–	–	–	–	–	27,724	–
Dr. Sukhyar••	4,497	–	–	–	–	–	4,497	–
Mr. Tan	27,724	–	–	–	–	–	27,724	–
Sub-total	728,876	–	–	–	–	5,515,195	6,244,071	88.3
Other key management personal								
None	[•]	–	–	–	–	–	–	–
Sub-total	[•]	–	–	–	–	–	–	–
Total	728,876	–	–	–	–	5,515,195	6,244,071	88.3

* Mr. Hasler is compensated by Phoenician Management Services Limited which has entered into a management service agreement with PT Investasi Mandiri for the provision of his services as an Executive Director of the Company.

•• Mr. Artmont ceased 31 August 2022. Dr Sukhyar was appointed 28 November 2022

*** All directors' fees were paid to the Directors' related entities, with the exception of Mr. Georges and Dr. Sukhyar.

F Compensation Performance Rights and Options Granted, Exercised, Converted or Lapsed During the Financial Year

There were no options issued to Directors as part of their remuneration in the past 12 months. There were no compensation options that were exercised or lapsed during the year. There were no compensation options issued or outstanding during 2023 or 2022.

During the year, all performance rights held by the Chairman and Chief Executive Officer were cancelled in order to reflect a clearer picture of the financial performance of the company:

		Opening Balance	Performance Rights Granted	Performance Rights Exercised	Performance Rights Cancelled/ Expired	Closing Balance
Mr. Hasler*	2023	16,900,000	–	–	(16,900,000)	–
	2022	12,508,437	10,500,000	(2,675,943)	(3,432,494)	16,900,000

* During the year Nil (2022: 2,675,943) Performance rights vested and were converted to nil shares (2022: 1,996,368 shares), on the achievement of milestones.

As at 31 December 2023, nil performance rights (2022: 16,900,000) remain on issue to Mr Hasler which are convertible into a maximum of nil Shares (2022: 20,100,000), subject to the achievement of milestones.

G Share-based Compensation

The Company may reward Directors for their performance and align their remuneration with the creation of shareholder wealth by issuing performance rights, share options and/or shares. Share-based compensation is at the discretion of the Board and no individual has a contractual right to participate in any share-based plan or to receive any guaranteed benefits. No share-based compensation in respect of Key Management Personnel occurred during the 2023 financial year.

(i) Performance Rights

The Company awarded the Chairman and Chief Executive Officer nil performance rights (2022: 10,500,000) under the Company's Stock Incentive Plan during the financial year. Of the total performance rights on issue to the Chairman and Chief Executive Officer, nil (2022: 2,675,943) converted to nil Shares (2022: 1,996,368) on achievement of milestones.

During the 2023 financial year, all performance rights held by Mr Oliver Hasler were cancelled. As at 31 December 2023, nil performance rights (2022: 16,900,000) remain, which are convertible into a maximum of nil shares (2022: 20,100,000), subject to the achievement of milestones.

(ii) Options

There were no options granted to Directors during the financial year, nor were shares issued upon exercise of options. As at the date of this report there are no director options on issue and no options have been exercised.

(iii) Shares

Nil Shares (2022: 4,179,262) were issued to the Chairman and Chief Executive Officer during the financial year upon reaching milestones associated with a portion of his performance rights.

(iv) Link to Performance

The Company does not offer variable remuneration incentive plans or bonus schemes to Executive Directors or any retirement benefits.

Below are measures of the Group's financial performance over the last four years since commencement of the Group's current business. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	FY2023	FY2022	FY2021	FY2020	FY2019*
Loss attributable to Owners of the Parent Entity (USD)	(10,588,047)	(9,471,192)	(3,678,882)	(12,775,4141)	(96,498)
Loss per share (cents)	(2.32)	(2.16)	(1.10)	(6.00)	(2,390.00)
Dividend payments (cents)	–	–	–	–	–
Share price (AUD)	0.51	0.99	1.625	0.695	n/a
Increase/(decrease) in share price (%)	(48.5)	(39.1)	133.8	n/a	n/a

* Control and accounting consolidation of the Mandiri operations commenced on 24 January 2019.

H Equity Instruments Issued on Exercise of Remuneration Performance Rights and Options

No shares were issued during the financial year to Directors or key management as a result of exercising remuneration options.

Nil Shares (2022: 4,179,262) were issued during the financial year to the Chairman and Chief Executive Officer as a result of achieving milestones relating to a portion of the performance rights.

Other Transactions with KMP and/or their Related Parties

Phoenician Management Services Limited, a related party of Mr. Hasler, provided management support, general administration and IT services to PT lnvestasi Mandiri. Phoenician Management Services Limited has been paid US$1,263,694 (2022: US$1,292,188) and expenses recognised during the year totaled US$1,369,702 (2022: US$1,287,784).

J Shareholding of KMP

The number of shares in the Company held by directors or other key management personnel of the Company, including their associated entities at the end of the financial year are as follows:

Company Directors and Associated Entities		Opening Balance	Received During Year on Exercise of Performance Rights	Net Change Other	Closing Balance*
Mr. Hasler	2023	11,965,373	–	–	11,965,373
	2022	7,786,111	4,179,262	–	11,965,373
Mr. Artmont^	2023	–	–	–	–
	2022	–	–	–	–
Mr. Georges	2023	–	–	–	–
	2022	–	–	–	–
Dr. Sukhyar^	2023	–	–	–	–
	2022	–	–	–	–
Mr. Tan	2023	795,798	–	–	795,798
	2022	795,798	–	–	795,798

* If position vacated during the year, as at date ceased.

^ Mr. Artmont ceased on 31 August 2022. Dr. Sukhyar was appointed director on 28 November 2022.

END OF REMUNERATION REPORT

Oliver B. Hasler
Chairman and Chief Executive Officer

Hong Kong, China
15 March 2024

Corporate Governance

The Board of Directors of PYX Resources Limited (the "Company" or "PYX") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of PYX on behalf of the shareholders, by whom they are elected and to whom they are accountable.

The Company's corporate governance practices are based on principles and recommendations set out in Corporate Governance Council's Principles and Recommendations (4th edition) issued by the Australian Securities Exchange Corporate Governance Council. Corporate Governance Council's principles are summarised as follows:

Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the board to be effective and add value
Principle 3	Instill a culture of acting lawfully, ethically and responsibly
Principle 4	Safeguard the integrity of corporate reports
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of security holders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

This statement outlines the main corporate governance practices in place during the year ended 31 December 2023, which comply with the ASX Corporate Governance Council recommendations, except where noted.

This Corporate Governance Statement is current as at 31 December 2023 and has been adopted by the Board.

Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives, and monitors performance against those objectives. The goals of the corporate governance processes are to:

- maintain and increase Shareholder value;
- ensure a prudential and ethical basis for the Company's conduct and activities; and
- ensure compliance with the Company's legal and regulatory objectives.

In order to be consistent with these goals, the Board assumes the following responsibilities: to develop initiatives for profit and asset growth;

- to review the corporate, commercial and financial performance of the Company on a regular basis;
- to act on behalf of, and being accountable to, the Shareholders; and
- to identify business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- the Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and
- the principal criterion for the appointment of new directors is their ability to add value to the Company and its business.

The Board currently comprises three non-executive directors and one executive director. Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

Each Director has confirmed to the Company that he anticipates being available to perform his duties as a non–executive director or executive director without constraint from other commitments.

The Directors consider an independent Director to be a non-executive director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Directors will consider the materiality of any given relationship on a case-by-case basis and reviews the independence of each Director, in light of interests disclosed to the Board from time to time. Messers Sukhyar, Georges and Tan are considered to be independent directors. The length of service of each director is contained in the Directors' Report.

The Company's Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors and has adopted a definition of independence that is based on that set out in the Corporate Governance Council's Principles and Recommendations (4th edition).

The Board will consider whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its Shareholders generally.

Identification and Management Risk

The Board's collective experience enables accurate identification of the principal risks that may affect the Group's business. Key operational risks and their management are recurring items for deliberation at Board meetings.

The Board is responsible for overseeing the establishment of and approving risk management strategies, policies, procedures and systems of the Group. The Group's management is responsible for establishing the Group's risk management framework.

The Group regularly undertakes reviews of its risk management procedures to ensure that it complies with its legal obligations, including assisting the Chief Executive Officer or Senior Financial Officer to provide required declarations.

Ethical Standards

The Company carries on business honestly and fairly, acting only in ways that reflect well on the Company and in compliance with all laws and regulations.

The Board has adopted a policy document which outlines employees' obligations of compliance with the Code of Conduct and explains how the Code interacts with the Company's other corporate governance policies. The responsibilities incorporated in the Code of Conduct include protection of the Company's business, using the Company's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.

Independent Professional Advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Securities Trading Policy

The Board has adopted a Securities Trading Policy for Directors, senior managers and employees in relation to securities dealings which is appropriate for a company with securities traded on NSX and the Main Market of the LSE.

Under the Securities Trading Policy, Directors and employees are prohibited from dealing in the Company's securities if they have in their possession information that they know, or ought reasonably to know, is inside information.

The Securities Trading Policy sets out a notification procedure which is required to be followed prior to any dealing in the Company's securities.

Disclosure Policy

The Company's disclosure policy is to assist with continuous disclosure obligations of both the Australian and UK regimes so as to provide the Company's shareholders, the NSX and the LSE with timely, direct and equal access to information issued by the Company and to promote investor confidence in the integrity of the Company and therefore to maintain an orderly market in its securities.

External Audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit Committee

The Audit Committee is comprised of Mr. Alvin Tan (Chair), Mr. Oliver B. Hasler, Mr. Bakhos Georges and Dr. Raden Sukhyar (Members).

The Company has adopted an Audit Committee Charter. The Audit Committee assists the Company in meeting its financial reporting obligations and other tasks, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

Remuneration & Nomination Committee

The Remuneration Nomination committee is comprised of Mr. Bakhos Georges (Chair), Mr. Oliver B. Hasler, Mr. Alvin Tan and Dr. Raden Sukhyar (Members).

The Board has adopted a Remuneration Committee Charter to assist with remuneration of Directors, executives and key employees. The Company recognises that formal and transparent remuneration and nomination policies assist in promoting understanding and confidence in remuneration and nomination decisions.

The Company has established a remuneration policy that states:

- non-executive Directors are to receive fees which are determined by the Board within the aggregate limit set by the shareholders at a general meeting; and
- executive Directors' remuneration is determined by the Board with reference to current market rates and remuneration paid to executives in comparable listed companies determined by the size and nature of operations.

Remuneration levels are set by the Board in accordance with industry standards to attract suitable qualified and experienced directors and senior management. The process of periodically evaluating the performance of the board, its committees and individual directors and senior executives is set out in the Company's Process for Performance Evaluations policy. Performance evaluations have been completed for the December 2023 financial year.

In relation to Board nominations, the Committee reviews and makes recommendations to the Board in relation to:

a. Board succession planning generally;
b. induction and continuing professional development programs for directors;
c. the development and implementation of a process for evaluating the performance of the Board, its committees and directors;
d. the process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
e. the appointment and re-election of directors; and
f. ensuring there are plans in place to manage the succession of the Managing Director and other senior executives.

Diversity Policy

The Board has adopted a diversity policy. The Company aims to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

The Board consists of four male Directors. The Company Secretary and Senior Financial Controller are female. The Company has the following appointments by gender as at 31 December 2023:

Position*	Female	Male	Total
Directors	–	4	4
Senior executives**	4	4	8
Other employees	23	64	99

* Includes personnel who contract their services to the Company

** Senior executives comprise the Senior Financial Officer, Finance Manager, Company Secretary, HR Manager, Admin Manager, Mining Manager, Factory Manager and Technical Manager

Anti-Slavery and Human Trafficking Policy

There is a zero-tolerance approach to modern slavery both within the Company and within its supply chain. This policy underpins the Company's approach to prevent slavery and human trafficking taking place in any part of the business or supply chains.

To underpin the Company's compliance with practical steps, the Company aims to implement the following:

a. conduct risk assessments to determine which parts of our business and which suppliers are most at risk of modern slavery so that efforts can be focused on those areas;

b. engage with suppliers both to convey to them the Anti-Slavery and Human Trafficking Policy and to gain an understanding of the measures taken by them to ensure modern slavery is not occurring in their businesses and their supply chain;

c. introduce supplier pre-screening (for example as part of our tender process) and self-reporting for suppliers on safeguarding controls;

d. introduce contractual provisions for suppliers to confirm their adherence to this policy and accept the right for the Company to audit their activities and (where practicable) relationships, both routinely and at times of reasonable suspicion.

Health, Safety and Environment (HSE) Policy

The Company is committed to operating its business in a responsible and appropriate manner, that protects the environment and ensures the safety of its employees and contractors and protects the members of the communities in which it operates.

The purpose of the HSE Policy is to assist the Company and its Directors to monitor and review the health, safety, environmental and sustainable development policies, principles, practices and processes, and monitor and review current and future regulatory issues relating to health, safety, the environment and sustainable development.

The Company is committed to, and the Board will monitor and review the Company's compliance with, the following principles and practices including but not limited to:

- Acknowledging that the management of health, safety, and environmental issues is an integral part of the Company's business and should be incorporated into business planning and decision-making processes.
- Implementing and maintaining a systematic approach to risk management in order to achieve the objectives outlined in the HSE Policy.
- The Company and its subsidiaries complying with all applicable laws and regulations as a minimum standard, and applying responsible standards consistent with the principles and policies outlined in this policy where laws do not exist. Working collaboratively and proactively with stakeholders to develop and advance effective approaches to HSE management, and communicating openly on HSE related issues.
- Continuously seeking ways to minimize the impact of the Group's exploration and production activities on the environment.
- Continuously identifying, reporting and evaluating risks, threats, hazards and impacts to company operations that have the potential to adversely affect the environment or the health, safety and security of employees, contractors or the community, and implementing appropriate control and contingency measures to minimise and manage them to a responsible level.
- Monitoring, reviewing and setting targets for ongoing improved HSE performance.
- Committing to employee participation in the Health and Safety process and welcoming the opportunities presented by Employee Forums to expedite the high standards the HSE Policy represents.
- Providing sufficient and competent human resources to manage the Company's HSE commitments.
- Selecting and engaging contractors and suppliers whose HSE management systems are acceptable to the Company and consistent with the principles and policies outlined in the policy.
- Including a HSE performance assessment and requiring a demonstration of continuous commitment to the principles and policies outlined in the policy in the appraisal of the Company's personnel and suppliers.
- Providing training, instruction and supervision to personnel to enable them to attain the knowledge and skill levels necessary to perform their work incident free.
- Committing to re-use waste as much as is economically feasible to minimise the amounts of waste.

Risk Management Policy

The Company's Risk Management Policy provides a framework to identify, assess, monitor, and manage the risks associated with the Company's business.

In accordance with the Risk Management Policy, the Board assessed the need to form a risk committee in conjunction with the necessity to form an audit committee.

The Risk Management Policy identifies that the Company will regularly consider the following main areas of risk to the Company:

a. exploration and development;
b. fluctuating commodity prices and exchange rates;
c. political and economic climate in its areas of operation; and
d. continuous disclosure obligations.

The Company adopted an internal control framework to assist the Board in identifying, assessing, monitoring and managing risk. The framework includes financial reporting, continuous disclosure, regular operations reviews and investment appraisals.

Anti-Bribery and Corruption Policy

The Company has adopted an anti –bribery and corruption policy to ensure the Company conducts all business fairly, honestly and openly by ensuring compliance with all applicable anti-corruption laws and regulations, and to ensure that the Company conducts business in a socially responsible manner. The policy sets out the responsibilities of the Company, the Board, Company personnel and the Company's associated persons. The policy specifically addresses facilitation payments or gifts and hospitality, dealings with public officials, political donations, and charitable donations.

Whistleblower Policy

The Company is committed to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance. As part of that commitment, the Company has adopted a Whistleblower Policy.

This Policy is an important tool for helping the Company to identify wrongdoing that may not be uncovered unless there is a safe and secure means for disclosing wrongdoing. The Company encourages those who are aware of possible wrongdoing to report it in accordance with this policy. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board or a committee of the Board.

ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Board is committed to best practice corporate governance. To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council.

In light of the Company's size and nature, the Board considers the current board a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

A copy of the Company's Corporate Governance Policies is able to be accessed on the Company's website www.pyxresources.com.

Departures from Corporate Governance Council's Recommendations

The Company will report any departures from the Recommendations in its annual financial report as part of its Corporate Governance Statement.

The Company's departures from the Recommendations are set out below. A copy of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations is available at: http://www.asx.com.au/regulation/corporate governance-council.htm.

Best Practice Recommendation	Nature and Explanation for Departure
1.5 Set measurable objectives for achieving gender diversity in the composition of the entity's board, senior executives and workforce generally and disclose in relation to each reporting period the measurable objectives set for that period to achieve diversity and the entity's progress towards achieving those objectives.	The Company's general policy when choosing Employees and Board members is to recruit and manage on the basis of competence and performance regardless of age, nationality, race, gender, religious beliefs, sexuality, physical ability or cultural background.
2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Mr. Oliver B. Hasler is the Chairman and Chief Executive Officer of the Company. The Company is mindful of the need to have strong independent Board representation and anticipates that as the Company grows and its projects expand it will be appropriate to appoint an independent non-executive as chairman, either from the existing Directors or via a new appointment.

NSX Corporate Governance Policies and Procedures

The NSX has developed suggested content for corporate governance policies and procedures which is set out on NSX's Practice Note 14 (Practice Note 14). The content outlined in Practice Note 14 is not prescriptive but is intended to act as a guideline for listed entities' corporate governance.

The policies and procedures that listed entities may adopt as suggested by Practice Note 14, and the approach adopted by the Company to comply with such guidelines, is listed below:

Suggested content and scope	**Company policy**
A. Policies and procedures adopted to ensure that the issuer acts according to law, including satisfying its reporting obligations under the Corporations Act and the Listing Rul es.	Code of Conduct The Code of Conduct prescribes standards of ethical behaviour expected from the board, management and employees. All directors, officers, managers and employees are required to meet certain standards of ethical behaviour including acting honestly, in good faith and in the best interests of the Company as a whole, and avoiding conflicts of interest and managing conflicts of interest appropriately if they arise. Audit Committee Charter The Board has adopted an Audit Committee Charter which outlines appropriate structures are in place to ensure ongoing compliance with Listing Rules and other regulatory compliance.
B. Policies and procedures adopted to ensure that the Issuer's board acts with due care and diligence and in the interests of shareholders.	Board Charter The Company has adopted a Board Charter which sets out the principles for operation of the Company board of directors. The board is accountable to shareholders for performance of the Company. Securities Trading Policy This policy acts as a guide to dealing in the Company's securities. It discusses insider trading provisions and trading restrictions.
C. Policies and procedures adopted to adequately identify and deal with conflicts of interest at board, management and employee levels.	Code of Conduct The Company's Code of Conduct addresses conflicts of interest which may arise in the Company.

Suggested content and scope	**Company policy**
D. Policies and procedures adopted to protect shareholder interests, including: access to information, voting rights, share of profits, and equitable treatment.	Disclosure Policy The Company has adopted a disclosure policy which addresses the Company's continuous disclosure obligations. It states that the Company has formed policies and procedures to discharge the Company's disclosure requirements to ensure information is released to the market in a timely manner. In terms of shareholder communication, the Company aims, amongst other things, to maintain an up-to-date website containing all information announced, and operate an email register. Risk Management Policy The Company's risk management policy provides a framework to identify, assess, monitor and manage the risks associated with the Company's business. The Company's risk management is focused on the areas of financial reporting, continuous disclosure (as provided in the disclosure policy), and operations review.
E. Policies and procedures adopted to protect the interests of stakeholders including: employees, creditors and the wider community.	The remuneration of directors is decided by the Board in its capacity as the Remuneration and Nomination Committee. The Remuneration and Nomination Committee is to review and make recommendations and to ensure that the remuneration policies and practices are consistent with the Company's strategic goals and human resources objectives. Refer Code of Conduct in Section A above.

PITCHER PARTNERS

PYX RESOURCES LIMITED
ABN 30 073 099 171
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF PYX RESOURCES LIMITED

In relation to the independent audit for the year ended 31 December 2023, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of PYX Resources Limited and the entities it controlled during the year.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, 15 March 2024

Financial Statements and Notes

Directors' Declaration

In accordance with a resolution of the Directors of PYX Resources Limited, the directors state that:

The financial statements and notes set out on pages 118 to 157 are in accordance with the Corporations Act 2001:

a. Comply with Australian Accounting Standards, which as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards and other mandatory professional reporting requirements; and

b. Give a true and fair view of the financial position of the Group as at 31 December 2023 and of the performance for the year ended on that date.

In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declaration required to be made by the Chief Executive Officer and Senior Financial Controller to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 31 December 2023.

Signed in accordance with a resolution of the Directors.

Oliver B. Hasler
Chairman and Chief Executive Officer

Hong Kong, China
Indonesia
15 March 2023

Consolidated Statement of Profit or Loss
For the year ended 31 December 2023

	Note	2023 US$	2022 US$
Revenue	3	22,671,641	22,703,190
Cost of sales	4	(19,894,961)	(17,449,606)
Gross Profit		2,776,680	5,253,584
Other income	3	28,900	8,043
Selling and distribution expenses		(1,222,886)	(2,120,337)
Corporate and administrative expenses		(2,587,605)	(4,285,962)
Share based payment		(7,616,663)	(5,566,871)
Loss on fair value change	5	(1,685,242)	(2,297,990)
Foreign exchange loss		(93,864)	(487,174)
Interest expense	4	(55,515)	(27,939)
Loss before income tax		(10,456,195)	(9,524,646)
Income tax (expense)/benefit	6	(161)	91,046
Net loss for the year		(10,456,356)	(9,433,600)
Net loss attributable to:			
Owners of the Parent Entity		(10,588,047)	(9,471,192)
Non-controlling interests		131,691	37,592
Net loss for the year		(10,456,356)	(9,433,600)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations, net of tax		43,142	(621,873)
Total comprehensive income for the year		(10,413,214)	(10,055,473)
Total comprehensive income attributable to:			
Owners of the Parent Entity		(10,580,534)	(9,446,042)
Non-controlling interests		167,320	(609,431)
		(10,413,214)	(10,055,473)
Loss per share			
Basic loss per share (cents)	9	(2.32)	(2.16)
Diluted loss per share (cents)	9	(2.32)	(2.16)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position As at 31 December 2023

	Note	2023 US$	2022 US$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	7,828,906	7,221,085
Trade and other receivables	11	1,557,570	1,396,300
Advances to suppliers		432,498	619,782
Other assets		–	517,847
Prepayments and deposits		58,345	102,457
Prepaid tax	18	847,485	661,130
Inventories	12	2,308,586	705,776
TOTAL CURRENT ASSETS		13,033,390	11,224,377
NON-CURRENT ASSETS			
Property, plant and equipment	14	6,042,116	4,051,196
Intangible assets	15	73,496,367	73,314,239
Right of use assets		2,163	11,332
Deferred tax assets	16	526,626	523,421
TOTAL NON-CURRENT ASSETS		80,067,272	77,900,188
TOTAL ASSETS		93,100,662	89,124,565
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		1,370,005	1,505,996
Other liabilities	17	2,331,568	4,064,122
Amount due to shareholder	19	5,276,000	–
TOTAL CURRENT LIABILITIES		8,977,573	5,570,118
TOTAL LIABILITIES		8,977,573	5,570,118
NET ASSETS		84,123,089	83,554,447
EQUITY			
Issued capital	20	105,592,118	102,226,925
Reserves	24	672,381	8,905,334
Accumulated losses		(20,758,040)	(26,027,122)
Equity attributable to owners of the Parent Entity		85,506,459	85,105,137
Non-controlling interest		(1,383,370)	(1,550,690)
TOTAL EQUITY		84,123,089	83,554,447

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

	Ordinary Shares US$	Share Based Payment Reserve US$	Foreign Exchange Translation Reserve US$	Options Reserve US$	Accumulated losses US$	Subtotal US$	Non-controlling Interests US$	Total US$
Balance at 1 January 2022	96,651,080	3,906,968	(24,207)	–	(16,555,930)	83,977,911	(941,260)	83,036,651
Comprehensive income								
Loss for the year	–	–	–	–	(9,471,192)	(9,471,192)	37,592	(9,433,600)
Other comprehensive income for the year	–	–	25,149	–	–	25,149	(647,022)	(621,873)
Total comprehensive income for the year	–	–	25,149	–	(9,471,192)	(9,446,043)	(609,430)	(10,055,473)
Transactions with owners, in their capacity as owners, and other transfers								
Shares issued during the year	4,452,459	–	–	–	–	4,452,459	–	4,452,459
Options reserve	–	–	–	553,939	–	553,939	–	553,939
Share based payments	–	5,566,871	–	–	–	5,566,871	–	5,566,871
Issue of shares to employees	1,123,386	(1,123,386)	–	–	–	–	–	–
Total transactions with owners and other transfers	5,575,845	4,443,485	–	553,939	–	10,573,269	–	10,573,269
Balance at 31 December 2022	102,226,925	8,350,453	942	553,939	(26,027,122)	85,105,137	(1,550,690)	83,554,447

Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

	Ordinary Shares US$	Share Based Payment Reserve US$	Foreign Exchange Translation Reserve US$	Options Reserve US$	Accumulated losses US$	Subtotal US$	Non-controlling Interests US$	Total US$
Balance at 1 January 2023	102,226,925	8,350,453	942	553,939	(26,027,122)	85,105,137	(1,550,690)	83,554,447
Comprehensive income								
Loss for the year	–	–	–	–	(10,588,047)	(10,588,047)	131,691	(10,456,356)
Other comprehensive income for the year	–	–	7,513	–	–	7,513	35,629	43,142
Total comprehensive income for the year	–	–	7,513	–	(10,588,047)	(10,580,534)	167,320	(10,413,214)
Transactions with owners, in their capacity as owners, and other transfers								
Shares issued during the year	3,365,193	–	–	–	–	3,365,193	–	3,365,193
Share based payments	–	7,616,663	–	–	–	7,616,663	–	7,616,663
Share based payments cancelled	–	(15,857,129)	–	–	15,857,129	–	–	–
Total transactions with owners and other transfers	3,365,193	(8,240,466)	–	–	15,857,129	10,981,856	–	10,981,856
Balance at 31 December 2023	105,592,118	109,987	8,455	553,939	(20,758,040)	85,506,459	(1,383,370)	84,123,089

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flow
For the year ended 31 December 2023

	Note	2023 US$	2022 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		22,465,734	22,148,216
Payments to suppliers and employees		(24,164,605)	(25,646,834)
Other income		28,900	8,043
Interest received		2,080	2,007
Finance costs		(57,595)	(29,946)
Income tax paid		(195,015)	(408,885)
Net cash used in operating activities	21	(1,920,501)	(3,927,399)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,523,961)	(2,021,930)
Net cash used in investing activities		(2,523,961)	(2,021,930)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from investor (Net of costs)		–	6,452,285
Gross proceeds from placement funds		–	483,927
Payment of placement fund costs		–	(40,283)
Cash receipts from shareholder		5,100,000	–
Repayments of lease liabilities		(917)	(14,566)
(Payments)/Receipts of employee loans		(107)	6,930
Net cash provided by financing activities		5,098,976	6,888,293
Net increase in cash and cash equivalents		654,514	938,964
Cash and cash equivalents at the beginning of financial year		7,221,085	6,624,364
Effect of foreign exchange rate changes		(46,693)	(342,243)
Cash and cash equivalents at the end of financial year	10	7,828,906	7,221,085

The accompanying notes form part of these financial statements

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general-purpose consolidated financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

During the year ended 31 December 2023 the Group incurred a loss after tax of US$10,456,356 and had negative cash flows from operations of US$1,920,501.

Management has considered it is appropriate to prepare the financial statements on a going concern basis. The year-end net cash position of the Group was US$7,828,906. The losses were partly because of the non-operating and non-cash items of US$9,752,935. One of the major non-operating items in the period were loss on fair value change of financial instrument expenses of US$1,685,242 and a share-based payment expense of US$7,616,663. Therefore, the underlying EBITDA for the period was positive US$676,301. Management has a detailed plan to increase the mining and production capacity which is expected to generate profit and positive cash flows from operations in the forthcoming years.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Pyx Resources Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 12.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred at fair value;
(ii) any non-controlling interest (determined under either the fair value or proportionate interest method); and
(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive in come in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASE 139: *Financial Instruments: Recognition and Measurement*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value *(full goodwill method)* or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets *(proportionate interest method)*. In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

Prior Year Share Placement

During the 2022 financial year PYX received a total initial investment of US$6,827,322 from a US Institutional Investor, L1 Capital Global Opportunities Master Fund ("Investor"), for US$7,777,778 worth of PYX shares ("Subscription Amount") via a share placement, as announced on 11 March 2022 and 2 December 2022.

Statement of financial position

The consolidated statement of financial position as at 31 December 2023 represents the consolidated financial position of Pyx Resources Limited and its controlled entities as at 31 December 2023.

b. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the first-in, first-out basis.

d. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property, plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Buildings	5%
Plant and Equipment	20%
Furniture and Fittings	25%
Motor Vehicle	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. Leases (the Group as lessee)

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

– fixed lease payments less any lease incentives;

– variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

– the amount expected to be payable by the lessee under residual value guarantees;

– the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;

– lease payments under extension options if lessee is reasonably certain to exercise the options; and

– payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

A financial asset that meets the following conditions is subsequently measured at amortised cost:

– the financial asset is managed solely to collect contractual cash flows; and

– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;

– the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

– it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;

– it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;

– it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

– the right to receive cash flows from the asset has expired or been transferred;

– all risk and rewards of ownership of the asset have been substantially transferred; and

– the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

– financial assets that are measured at amortised cost or fair value through other comprehensive income;

– lease receivables;

– contract assets (e.g. amounts due from customers under construction contracts);

– loan commitments that are not measured at fair value through profit or loss; and

– financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

– financial assets measured at fair value through profit or loss; or

– equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

– the general approach

– the simplified approach

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

– the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or

– there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

– trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component; and

– lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

g. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

h. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in United States dollars, which is the Parent Entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

– assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;

– income and expenses are translated at exchange rates on the date of transaction; and

– all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than US dollars are recognised in other comprehensive income and included in the foreign exchange translation reserve in the statement of change in equity and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

i. Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

j. Exploration and Evaluation Assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

k. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

Equity-settled compensation

The Group operates an employee performance rights plan. Share-based payments to employees are measured at the fair value of the instruments at grant date and amortised over the vesting periods. The corresponding amounts are recognised in the share-based payment reserve and statement of profit and loss respectively. The fair value of rights is determined by reference to the share price of the Company. The number of rights expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

l. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

n. Revenue and Other Income

Revenue from sales of zircon is recognised either when the customer takes possession of and accepts the products or when the products are ready for shipment, according to the sales contract terms. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

Interest income is recognised using the effective interest method.

o. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

p. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

q. Critical Accounting Estimates, Judgements and Assumptions

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

(i) Impairment

The Group assesses impairment on inventories, property, plant and equipment and intangible assets at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgements

(i) Share-based payments

The fair value of performance rights is measured at grant date, taking into account the terms and conditions upon which those shares were granted. The cumulative expense recognised between grant date and vesting date is adjusted to reflect the Director's best estimate of the number of rights that will ultimately vest because of internal and market conditions, such as the employees having to remain with the Group until vesting date or such that employees are required to meet internal KPI.

When shareholders' approval is required for the issuance of performance rights, the expenses are recognised based on the grant date fair value according to the management estimation.

(ii) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(iii) Exploration and evaluation cost

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

NOTE 2: PARENT INFORMATION

The following information has been extracted from the books and records of the financial information of the Parent Entity set out below and has been prepared in accordance with Australian Accounting Standards.

	2023 US$	2022 US$
Statement of Financial Position		
ASSETS		
Current assets	21,370,158	17,441,243
Non-current assets	78,058,861	78,058,861
TOTAL ASSETS	99,429,019	95,500,104
LIABILITIES		
Current liabilities	8,107,660	4,857,163
Non-current liabilities	–	–
TOTAL LIABILITIES	8,107,660	4,857,163
EQUITY		
Issued capital	112,862,604	109,497,411
Accumulated losses	(22,544,235)	(28,097,926)
Reserves	1,002,990	9,243,456
Non-controlling interest	–	–
TOTAL EQUITY	91,321,359	90,642,941
Statement of Profit or Loss and Other Comprehensive Income		
Net loss	(10,303,438)	(9,231,282)
Total comprehensive income	(10,303,438)	(9,231,282)

NOTE 3: REVENUE

The Group has recognised the following amounts relating to revenue in the statement of profit or loss.

	Note	2023 US$	2022 US$
Sales Revenue	3a	22,671,641	22,703,190
Other income		28,900	8,043

a. Sales of mineral sands

The Group earns revenue by mining, processing, and subsequently selling mineral sands (including zircon and rutile) to customers based in the Americas, Asia, China and Europe. Revenue from the sale of product is recognised at the point in time when control has been transferred to the customer, generally being when the product has been dispatched and is no longer under the physical control of the Group. In cases where control of product is transferred to the customer before dispatch takes place, revenue is recognised when the customer has formally acknowledged their legal ownership of the product, which includes all inherent risks associated with control of the product. In these cases, product is clearly identified and immediately available to the customer.

Sales to customers are generally denominated in US Dollars. The effect of variable consideration arising from rebates, discounts and other similar arrangements with customers is included in revenue to the extent that it is highly probable that there will be no significant reversal of the cumulative amount of revenue recognised when any pricing uncertainty is resolved.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

NOTE 4: LOSS FOR THE YEAR

	2023 US$	2022 US$
Loss before income tax from continuing operations includes the following specific expenses:		
a. Expenses		
Cost of sales	19,894,961	17,449,606
Interest expense on financial liabilities not classified as at fair value through profit or loss:		
– unrelated parties	57,595	29,907
Finance charges	–	39
Less: Interest income	(2,080)	(2,007)
Net interest expense	55,515	27,939
Employee benefits expense:		
– Staff salaries and benefits	322,207	323,931
– Share based payments	7,616,663	5,566,871
Rental expense on operating leases		
– short-term lease expense	1,970	4,304
Depreciation and amortisation	360,999	242,502

NOTE 5: LOSS ON FAIR VALUE CHANGE

	2023 US$	2022 US$
Loss on fair value change of financial instruments	(1,685,242)	(2,297,990)
	(1,685,242)	(2,297,990)

NOTE 6: TAX EXPENSE

	2023 US$	2022 US$
a. The components of tax benefit income comprise:		
Deferred tax (expense)/benefit	(161)	91,046
	(161)	91,046

	2023 US$	2022 US$
b. The prima facie tax on (loss) from ordinary activities before income tax is reconciled to income tax as follows:		
(Loss) before income tax expense	(10,456,195)	(9,524,646)
Prima facie tax payable on (loss) from ordinary activities before income tax at 25% (2022: 25%)	2,614,049	2,381,162
Tax effect of:		
– non-deductible items	(422,218)	(2,249,813)
– Tax losses and temporary differences not recognised as deferred tax assets	(2,180,050)	(67,224)
– Impact of overseas tax differential	(11,942)	26,921
Income tax (expense)/benefit	(161)	91,046

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

NOTE 7: KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 31 December 2023. The total remuneration paid to KMP of the Company and the Group during the year are as follows:

	2023 US$	2022 US$
Short-term employee benefits	762,141	728,876
Share-based payments	–	5,515,195
Total KMP compensation	762,141	6,244,071

During the 2023 financial year, all performance rights value of US$15,857,129 held by Mr. Oliver Hasler were cancelled.

NOTE 8: AUDITOR'S REMUNERATION

	2023 US$	2022 US$
Remuneration of the auditor for:		
Audit or review of financial statement		
Pitcher Partners	34,522	–
Hall Chadwick (NSW)	17,925	67,924
Other services		
T.K. Lo (HK)	4,000	3,800
KAP Syarief Basir & Rekan	5,092	15,664
SingAssure	2,651	–
Hall Chadwick (NSW)	2,655	–
	66,845	87,388

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

NOTE 9: LOSS PER SHARE

		2023 US$	2022 US$
a.	Reconciliation of losses to profit or loss:		
	Loss attributable to non-controlling equity interest	(10,456,356)	(9,433,600)
	Loss used to calculate basic and dilutive EPS	(10,456,356)	(9,433,600)

	2023 No.	2022 No.
Weighted average number of ordinary shares on issue used in the calculating of basic loss per share	451,589,470	436,375,601
Weighted average number of dilutive options outstanding	4,407,076	4,944,576
Weighted average number of dilutive warrants outstanding	3,000,000	3,000,000
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive loss per share	458,996,546	464,540,177
Weighted average number of anti-dilutive performance rights outstanding	240,000	20,220,000
	240,000	20,220,000
Loss per share		
Basic loss per share (cents)	(2.32)	(2.16)
Diluted loss per share (cents)	(2.32)	(2.16)

NOTE 10: CASH AND CASH EQUIVALENTS

	2023 US$	2022 US$
Cash at bank and on hand	7,828,906	7,221,085
	7,828,906	7,221,085

Reconciliation of cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	7,828,906	7,221,085
	7,828,906	7,221,085

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

NOTE 11: TRADE AND OTHER RECEIVABLES

	2023 US$	2022 US$
CURRENT		
Trade receivables	1,537,916	1,379,259
	1,537,916	1,379,259
Other receivables	1,871	1,731
GST/VAT receivable	17,783	15,310
	19,654	17,041
Total current trade and other receivables	1,557,570	1,396,300

a. Credit Risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 10. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Group.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques used or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

b. Collateral Held as Security

The Group does not hold any collateral over the trade and other receivables.

NOTE 12: INVENTORIES

	2023 US$	2022 US$
CURRENT		
At cost:		
Finished goods	2,308,586	705,776
	2,308,586	705,776

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

NOTE 13: INTERESTS IN SUBSIDIARIES

a. Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly or indirectly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-Controlling Interests	
		2023 %	2022 %	2023 %	2022 %
Takmur Pte Limited	Singapore	100	100	–	–
PT Andary Usaha Makmur	Indonesia	99.5	99.5	0.5	0.5
PT Investasi Mandiri*	Indonesia	–	–	100	100
Tisma Development (HK) Ltd.	Hong Kong	100	100	–	–
PT Tisma Investasi Abadi	Indonesia	99	99	1	1
PT Tisma Global Nusantara**	Indonesia	–	–	100	100

* This entity is accounted for as a controlled entity on the basis that control was obtained through the execution of an exclusive operations and management agreement between PT Andary Usaha Makmur and PT Investasi Mandiri and was for nil purchase consideration.

** This entity is accounted for as a controlled entity on the basis that control was obtained through the execution of an exclusive operations and management agreement between PT Tisma Investasi Abadi and PT Tisma Global Nusantara and was for nil purchase consideration.

The non-controlling interests in PT Andary Usaha Makmur and PT Tisma Investasi Abadi are not material to the Group.

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

NOTE 13: INTERESTS IN SUBSIDIARIES (CONTINUED)

b. Summarised Financial Information of Subsidiaries with Material Non-controlling Interests

Set out below is the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group, before any intragroup eliminations.

	PT Investasi Mandiri	
	2023 US$	2022 US$
Summarised Financial Position		
Current assets	6,666,649	5,106,190
Non-current assets	4,522,663	2,280,298
Current liabilities	(12,449,443)	(8,865,505)
Non-current liabilities	–	–
NET ASSETS	(1,260,130)	(1,479,017)
Carrying amount of non-controlling interests	(1,260,130)	(1,479,017)
Summarised Financial Performance		
Revenue	22,671,641	22,703,190
Profit/(Loss) after income tax	182,476	53,431
Other comprehensive income after tax	36,410	(659,903)
Total comprehensive income	218,886	(606,472)
Loss attributable to non-controlling interests	218,886	(606,472)
Distributions paid to non-controlling interests	–	–
Summarised Cash Flow Information		
Net cash used in operating activities	(1,676,010)	(2,260,338)
Net cash used in investing activities	(1,964,246)	(1,086,625)
Net cash from financing activities	3,583,390	3,510,633
Net (decrease)/increase in cash and cash equivalents	(56,866)	163,670

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

NOTE 13: INTERESTS IN SUBSIDIARIES (CONTINUED)

	PT Tisma Global Nusantura	
	2023 US$	2022 US$
Summarised Financial Position		
Current assets	39,235	122,011
Non-current assets	155,058	74,596
Current liabilities	(380,417)	(332,308)
Non-current liabilities	–	–
NET ASSETS	(186,124)	(135,701)
Carrying amount of non-controlling interests	(186,124)	(135,701)
Summarised Financial Performance		
Revenue	–	–
Loss after income tax	(49,590)	(14,649)
Other comprehensive income after tax	(833)	12,833
Total comprehensive income	(50,423)	(1,816)
Loss attributable to non-controlling interests	(50,423)	(1,816)
Distributions paid to non-controlling interests	–	–
Summarised Cash Flow Information		
Net cash used in operating activities	130,467	(82,312)
Net cash used in investing activities	(173,808)	(74,596)
Net cash from financing activities	45,017	188,322
Net decrease in cash and cash equivalents	1,676	31,414

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

	2023 US$	2022 US$
Land and Buildings		
Freehold land at cost	211,603	211,603
Translation	(7,194)	(11,286)
Total land	204,409	200,317
Buildings at cost	1,208,238	1,231,651
Accumulated depreciation	(285,312)	(248,221)
Translation	(31,572)	(53,375)
Total buildings	891,354	930,055
Total land and buildings	1,095,763	1,130,372
Construction in Progress		
Construction in Progress at cost	4,409,048	2,258,130
Translation	(112,341)	(132,079)
Total Construction in Progress	4,296,707	2,126,051
Plant and Equipment		
Plant and equipment at cost	1,048,146	1,073,904
Accumulated depreciation	(442,341)	(333,363)
Translation	(32,301)	(53,678)
Total plant and equipment	573,504	686,863
Motor Vehicles		
Motor vehicles at cost	138,707	138,707
Accumulated depreciation	(77,322)	(42,618)
Translation	(2,774)	(6,254)
Total motor vehicles	58,611	89,835
Furniture and Fittings		
Furniture and fittings at cost	36,192	31,806
Accumulated depreciation	(18,557)	(13,145)
Translation	(104)	(586)
Total furniture and fittings	17,531	18,075
Total property, plant and equipment	**6,042,116**	**4,051,196**

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

NOTE 14: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

a. Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Freehold Land US$	Buildings US$	Construction in Progress US$	Plant and Equipment US$	Motor Vehicles US$	Furniture and Fittings US$	Total US$
Balance at 1 Jan 2022	196,989	650,394	659,605	634,953	63,981	22,450	2,228,372
Additions	14,614	381,302	1,652,555	227,191	58,949	1,138	2,335,749
Transfer	–	–	(54,030)	–	–	–	(54,030)
Depreciation expense	–	(48,266)	–	(121,603)	(26,841)	(4,927)	(201,637)
Translation	(11,286)	(53,375)	(132,079)	(53,678)	(6,254)	(586)	(257,258)
Balance at 31 Dec 2022	200,317	930,055	2,126,051	686,863	89,835	18,075	4,051,196
Balance at 1 Jan 2023	200,317	930,055	2,126,051	686,863	89,835	18,075	4,051,196
Additions	–	–	2,230,243	2,099	–	4,386	2,236,728
Transfer	–	–	(79,325)	–	–	–	(79,325)
Depreciation expense	–	(60,504)	–	(136,835)	(34,704)	(5,412)	(237,455)
Translation	4,092	21,803	19,738	21,377	3,480	482	70,972
Balance at 31 Dec 2023	204,409	891,354	4,296,707	573,504	58,611	17,531	6,042,116

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

NOTE 15: INTANGIBLE ASSETS

	2023 US$	2022 US$
Goodwill:		
Cost	7,774	7,774
Accumulated impairment losses	–	–
Net carrying amount	7,774	7,774
Mining License Renewal:		
Cost	360,937	88,984
Accumulated amortization	(153,499)	(40,041)
Translation	21,102	(2,531)
Net carrying amount	228,540	46,412
Exploration asset:		
Carrying value on acquisition	73,260,053	73,260,053
Net carrying amount	73,260,053	73,260,053
Total intangible assets	73,496,367	73,314,239

	Goodwill US$	Mining Licenses US$	Exploration assets US$	Total US$
Year ended 31 December 2022				
Balance at the beginning of the year	7,774	66,739	73,260,053	73,334,566
Amortisation	–	(17,796)	–	(17,796)
Translation	–	(2,531)	–	(2,531)
Closing value at 31 December 2022	7,774	46,412	73,260,053	73,314,239
Year ended 31 December 2023				
Balance at the beginning of the year	7,774	46,412	73,260,053	73,314,239
Additions	–	271,953	–	271,953
Amortisation	–	(113,458)	–	(113,458)
Translation	–	23,633	–	23,633
Closing value at 31 December 2023	7,774	228,540	73,260,053	73,496,367

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

NOTE 16: DEFERRED TAX ASSETS (NON-CURRENT)

Non-current assets – deferred tax

	2023 US$	2022 US$
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	11,661	110,811
Property, plant and equipment	(13,570)	(8,131)
Employee benefits	1,748	(11,634)
Deferred tax asset	(161)	91,046
Amount expected to be recovered with 12 months		
Amount expected to be recovered after more than 12 months	–	91,046
Amount expected to be settled within 12 months	(161)	–
Amount expected to be settled after more than 12 months	–	–
	(161)	91,046
Movements:		
Opening balance	523,421	471,811
Transferred to profit or loss (Note 5)	(161)	91,046
Foreign exchange	3,366	(39,436)
Closing balance	526,626	523,421

NOTE 17: OTHER LIABILITIES

	2023 US$	2022 US$
Prepayments from investor*	4,064,122	6,827,322
Allocation of costs	–	(309,154)
Less: fair value of initial shares	–	(3,702,036)
Less: fair value of subscribed shares	(3,400,000)	(1,050,000)
Loss on fair value change	1,667,446	2,297,990
Balance at the end of reporting period	2,331,568	4,064,122

* On 11 March 2022 the Company entered into Share Subscription Agreement ("Subscription Agreement") with L1 Capital Global Opportunities Master Fund ("L1" or "Investor") and received an advance payment amount of US$4,383,822 (net of costs) from L1 as a prepayment for US$5 million worth of PYX shares ("Initial Investment Subscription Amount") via a share placement. The Company has issued initial 3,000,000 shares at zero value and 2,083,431 unlisted options to L1.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

NOTE 17: OTHER LIABILITIES (CONTINUED)

The key terms and conditions of the Subscription Agreement are:

- The Investor will immediately prepay a lump sum of US$4,500,000 for Placement Shares worth US$5,000,000 and on mutual consent, up to an additional US$9,000,000.
- The Investor will specify the time(s) of issuance(s) of shares (the "Placement Shares") no later than 24 months following the date of the applicable funding date to offset the Subscription Amount.
- The subscription price for the Placement Shares was initially 130% of the average of the 5 daily VWAPs on the applicable exchange (NSX or LSE) preceding the applicable funding date. Commencing 30 days after the funding date, the Investor may elect to subscribe for the Placement Shares at 95% of the average of 3 daily VWAPs over the 15 trading days (on the applicable exchange) prior to the Share Issuance Date.
- The Investor will not sell more than 20% of the monthly trading volume in any month.
- On each of the applicable funding dates, the Company will issue to the Investor a number of Options equal to 40% of the prepayment amount divided by the average of the 5 daily VWAPs preceding the applicable funding date. Each option will have a strike price equal to 130% of the average of the 5 daily VWAPs preceding the applicable funding date and expire 3 years from the applicable funding date.
- To the extent that any Shares remain unissued at the 24-month anniversary of the date of the prepayment, such Shares will be mandatorily issued at that time, based on the Subscription Price applying at the time.

On 5 January 2023, 2,436,438 shares valued at US$850,000 were issued to L1 Capital Global Opportunities Master Fund ("L1").

On 23 February 2023, 2,976,191 shares valued at US$500,000 were issued to L1 Capital Global Opportunities Master Fund ("L1").

On 30 March 2023, 2,732,241 shares valued at US$500,000 were issued to L1 Capital Global Opportunities Master Fund ("L1").

On 16 June 2023, 3,482,172 shares valued at US$700,000 were issued to L1 Capital Global Opportunities Master Fund ("L1").

On 25 August 2023, 2,072,110 shares valued at US$500,000 were issued to L1 Capital Global Opportunities Master Fund ("L1").

On 5 December 2023, 1,982,397 shares valued at US$350,000 were issued to L1 Capital Global Opportunities Master Fund ("L1").

These shares were issued in connection with the funds of US$4,383,822 received from L1 as a prepayment for US$5 million worth of PYX shares.

* On 2 December 2022, L1 has invested an additional US$2,500,000 in the Company in exchange for US$2,777,778 worth of PYX shares. The Company received the additional advance funds of US$2,443,500 (net of costs) from L1 as a prepayment for US$2,777,778 worth of PYX shares. The Company has issued to the Investor 1,700,000 shares ("the Additional Initial Shares") and 2,323,645 unlisted options with an exercise price of GBP 0.45 which will expire three years from the applicable funding date.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

NOTE 17: OTHER LIABILITIES (CONTINUED)

The following variations to their agreement have since been made by the Company and the Investor:

- The Company will issue 1,700,000 shares to the Investor at the time of the funding of the Advance Payment of US$2.5m (the Additional Shares).

- The Investor may elect to subscribe for the Placement Shares at 95% of the average of 3 daily VWAPs over the 15 trading days (on the applicable exchange) prior to the Share Issuance Date or 130% of the average of 5 daily VWAPs over the 5 trading days immediately prior to the relevant date of the Advance Payment.

- The Investor will not sell more than 40% of the monthly trading volume in any month, provided that during the term the Investor may not sell more than 30% of the aggregate trading volume during the term.

- The term of the investment has been increased from 24 to 30 months.

The unconverted amounts of the prepayment and additional advance payment are reported net of the fair value of initial shares, additional initial shares and placement shares subscribed as at the reporting date.

NOTE 18: TAX

	2023 US$	2022 US$
CURRENT		
Income tax recoverable	847,485	661,130

NOTE 19: AMOUNT DUE TO SHAREHOLDER

	2023 US$	2022 US$
Cash deposit from an investor	5,100,000	–
Fees payable to share-provider	176,000	–
	5,276,000	–

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

NOTE 20: ISSUED CAPITAL

	2023 US$	2022 US$
458,817,161 (2022: 441,349,100) fully paid ordinary shares	105,592,118	102,226,925

	2023		2022	
	No. of shares No.	Contributed equity US$	No. of Shares No.	Contributed equity US$
a. Ordinary Shares				
At the beginning of the reporting period	441,349,100	102,226,925	429,520,222	96,651,080
Movement:				
Year 2022	–	–	11,828,878	5,575,845
5 January 2023	2,436,438	850,000	–	–
23 February 2023	2,976,191	500,000	–	–
30 March 2023	2,732,241	500,000	–	–
16 June 2023	3,482,172	700,000	–	–
25 August 2023	2,072,110	500,000	–	–
5 December 2023	1,982,397	350,000	–	–
Share issue costs	1,786,512	(34,807)	–	–
At the end of the reporting period	458,817,161	105,592,118	441,349,100	102,226,925

On 5 January 2023, 2,436,438 shares valued at US$850,000 were issued to L1 Capital Global Opportunities Master Fund (“L1”).

On 23 February 2023, 2,976,191 shares valued at US$500,000 were issued to L1 Capital Global Opportunities Master Fund (“L1”).

On 30 March 2023, 2,732,241 shares valued at US$500,000 were issued to L1 Capital Global Opportunities Master Fund (“L1”).

On 16 June 2023, 3,482,172 shares valued at US$700,000 were issued to L1 Capital Global Opportunities Master Fund (“L1”).

On 25 August 2023, 2,072,110 shares valued at US$500,000 were issued to L1 Capital Global Opportunities Master Fund (“L1”).

On 5 December 2023, 1,982,397 shares valued at US$350,000 were issued to L1 Capital Global Opportunities Master Fund (“L1”).

These shares were issued in connection with the funds of US$4,383,822 received from L1 as a prepayment for US$5 million worth of PYX shares.

At the shareholders’ meetings each ordinary share is entitled to one vote when a poll is called; otherwise, each shareholder has one vote on a show of hands.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

NOTE 20: ISSUED CAPITAL (CONTINUED)

b. Unlisted Options

	2023 No.	2022 No.
At the beginning of the reporting period	4,944,576	537,500
Granted during the period	–	4,407,076
Expired during the period	(537,500)	–
At the end of the reporting period	4,407,076	4,944,576

On 2 February 2023, 537,500 unlisted options with exercise price of AU$1 held by Tamarind Classic resources Limited were expired.

c. Unlisted Warrants

	2023 No.	2022 No.
At the beginning of the reporting period	3,000,000	–
Granted during the period	–	3,000,000
At the end of the reporting period	3,000,000	3,000,000

d. Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, redeemable preference shares, convertible preference shares and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

	Note	2023 US$	2022 US$
Total borrowings		–	–
Less cash and cash equivalents	10	7,828,906	7,221,085
Net cash/(debt)		7,828,906	7,221,085
Total equity		84,123,089	83,554,447
Total capital		84,123,089	83,554,447
Gearing ratio		0.0%	0.0%

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

NOTE 21: CASH FLOW INFORMATION

	2023 US$	2022 US$
a. Reconciliation of Cash Flows from Operating Activities with Loss after Income Tax		
Loss after income tax	(10,456,356)	(9,433,600)
Non-cash flows in (loss):		
– depreciation	360,999	242,502
– share-based payments	7,616,663	5,566,871
– exchange differences	90,031	(286,642)
– Fair value change of financial instrument	1,685,242	2,297,990
Changes in assets and liabilities:		
– (increase) in trade and other receivables	(161,130)	(434,478)
– decrease/(increase) in advances to suppliers	187,284	(282,568)
– (increase) in inventories	(1,602,810)	(175,060)
– decrease/(increase) in prepayments and deposits	44,112	(33,974)
– (increase) in deferred tax assets	(3,205)	(51,610)
– increase/(decrease) in trade and other payables	505,024	(886,213)
– (decrease) in current tax liabilities	(186,355)	(450,617)
Net cash (used in) operating activities	(1,920,501)	(3,927,399)

b. Changes in Liabilities arising from Financing Activities

	1 January 2023 US$	Cash flows US$	Non-cash changes Acquisition US$	Re-classification US$	31 December 2023 US$
Short term borrowings	–	–	–	–	–
Lease liabilities	–	–	–	–	–
Total	–	–	–	–	–

c. Non-Cash Financing and Investing Activities

(i) Share issue:

Refer to note 19 for details of non-cash financing activities arising from shares issued.

NOTE 22: RELATED PARTY TRANSACTIONS

Phoenician Management Services Limited, a related party of Mr. Hasler, provided management support, general administration and IT services to PT Investasi Mandiri. For the year ended 31 December 2023, Phoenician Management Services Limited was paid $1,263,694 (2022: $1,292,188) and expenses recognised during the year totaled $1,369,702 (2022: $1,287,784).

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

NOTE 23: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loan and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023 US$	2022 US$
Financial assets			
Financial assets at amortised cost			
– cash and cash equivalents	10	7,828,906	7,221,085
– trade and other receivables	11	1,557,570	1,396,300
Total financial assets		9,386,476	8,617,385
Financial liabilities			
Financial liabilities at amortised cost			
– trade and other payables		1,370,005	1,505,996
Financial liabilities at fair value			
– other liabilities	17	2,331,568	4,064,122
Total financial liabilities		3,701,573	5,570,118

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

NOTE 23: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies

The Finance and Operations Committee (FOC) has been delegated responsibility by the Board of Directors for, among other issues, managing financial risk exposures of the Group. The FOC monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, foreign currency risk, liquidity risk, and interest rate risk. The FOC meets on a bi-monthly basis and minutes of the FOC are reviewed by the Board.

The FOC's overall risk management strategy seeks to assist the Consolidated Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Depending on the division within the Group, credit terms are generally 14 to 30 days from the invoice date.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 10.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a Parent Group;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

NOTE 23: FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices for zircon largely due to demand and supply factors (other than those arising from interest rate risk or foreign currency risk) for sand minerals.

The Group is exposed to commodity price risk through the operations of its zircon Product Contracts for the sale and physical delivery of zircons are executed whenever possible on a pricing basis intended to achieve a relevant index target. Where pricing terms deviate from the index, derivative commodity contracts may be used when available to return realised prices to the index. Contracts for the physical delivery of zircon are generally not financial instruments and are carried in the statement of financial position at cost (typically at nil). There were no hedges in place at the end of the reporting period.

d. Foreign currency risk

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the USD functional and presentation currency of the Group.

With instruments being held by overseas operations, fluctuations in the IDR and AUD may impact on the Group's financial results unless those exposures are appropriately hedged.

Financial Liability and Financial Asset Maturity Analysis

The following table reflects an undiscounted contractual maturity analysis for financial assets and financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

	Within 1 Year		1 to 5 Years		Total	
	2023	2022	2023	2022	2023	2022
	US$	US$	US$	US$	US$	US$
Financial liabilities due for payment						
Trade and other payables	1,370,005	1,505,996	–	–	1,370,005	1,505,996
Lease liabilities	–	–	–	–	–	–
Total expected outflows	1,370,005	1,505,996	–	–	1,370,005	1,505,996
Financial assets – cash flows realisable						
Cash and cash equivalents	7,828,906	7,221,085	–	–	7,828,906	7,221,085
Trade and other receivables	1,557,570	1,396,300	–	–	1,557,570	1,396,300
Total anticipated inflows	9,386,476	8,617,385	–	–	9,386,476	8,617,385
Net inflow/(outflow) on financial instruments	8,016,471	7,111,389	–	–	8,016,471	7,111,389

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

NOTE 23: FINANCIAL RISK MANAGEMENT (CONTINUED)

The following table shows foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the functional currency of the Group's operations. The foreign currency risk in the books of the Parent Entity is considered immaterial and is therefore not shown.

2023	Net Financial Assets/(Liabilities) in USD			
	USD	GBP	AUD	Total USD
Functional currency of entity:				
US dollar	–	(86,535)	1,994,028	1,907,493
Indonesian Rupiah	720,571	–	–	720,571
Statement of financial position exposure	720,571	(86,535)	1,994,028	2,628,064

2022	Net Financial Assets/(Liabilities) in USD			
	USD	GBP	AUD	Total USD
Functional currency of entity:				
US Dollar	–	(3,213,877)	3,541,491	327,614
Indonesian Rupiah	1,595,683	–	–	1,595,683
Statement of financial position exposure	1,595,683	(3,213,877)	3,541,491	1,923,297

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group.

	Note	2023 Carrying Amount US$	2023 Fair Value US$	2022 Carrying Amount US$	2022 Fair Value US$
Financial assets					
Financial assets at amortised cost:					
Cash and cash equivalents[(i)]	10	7,828,906	7,828,906	7,221,085	7,221,085
Trade and other receivables[(i)]	11	1,557,570	1,557,570	1,396,300	1,396,300
Total financial assets		9,386,476	9,386,476	8,617,385	8,617,385
Financial liabilities					
Financial liabilities at amortised costs					
Trade and other payables[(i)]		1,370,005	1,370,005	1,505,996	1,505,996
Lease liabilities[(i)]		–	–	–	–
Financial liabilities at fair value					
Other liabilities[(i)]	17	2,331,568	2,331,568	4,064,122	4,064,122
Total financial liabilities		3,701,573	3,701,573	5,570,118	5,570,118

(i) The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and lease liabilities are equivalent to their fair values.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

NOTE 24: RESERVES

a. Share-Based Payment Reserve

The share-based payment reserve records items recognised as expenses on valuation of share-based payments.

b. Options Reserve

The options reserve records costs associated with the option issue.

c. Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of the foreign controlled subsidiaries.

NOTE 25: CAPITAL COMMITMENTS

The Company had no capital commitments at the balance sheet date.

NOTE 26: EVENTS AFTER THE REPORTING PERIOD

On 5 January 2024, the Company advised that a change introduced in December 2023 by the Indonesian Industrial and Trade Department for Export Tax Billing, requires the exporter to use two types of Port, Loading Port and Export Port. The licence, which the government originally issued to the Company only stated the loading port in Banjarmasin. A request to modify the licence has been made to the Trade Department.

On 17 January 2024 the Company announced a change of auditor to Pitcher Partners BA&A Pty Ltd commencing the financial year ended 31 December 2023.

No other significant events are noted by management since the end of the reporting period.

PITCHER PARTNERS

PYX RESOURCES LIMITED
ABN 30 073 099 171

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PYX RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of PYX Resources Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss , the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PITCHER PARTNERS

PYX RESOURCES LIMITED
ABN 30 073 099 171

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PYX RESOURCES LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Substantial Operating Losses Refer to Note 4 to the financial report.	
The financial statements have been prepared on a going concern basis as discussed in Note 1 of the financial report. The Group has incurred a loss after income tax of US$10,456,356 and has negative operating cash flows of US$1,920,501 for the year. The year-end net cash position of the Group was US$7,828,906. Management has a detailed plan to increase the mining and production capacity which is expected to generate profit and positive cash flows from operations in the future years. We included the going concern basis of accounting as a key audit matters the Group will rely on existing cash reserves and revenue growth from operations to pay its debts as and when they fall due over the next 12 months from the date of this report.	Our procedures included, amongst others: Held discussions with management for the understanding and evaluation of internal controls. Reviewed and assessed the cashflow forecast up to 31 March 2025 provided by management. Reviewing the assumptions and basis of the cashflow forecast reflected that the group has sufficient cash to meet its working capital requirements over the next 12 months from the date of this report. We have assessed that there is sufficient cash on hand to cover expected negative cash flows over the next 12 months. Considering the adequacy of the disclosures included within Note 4 of the financial report.

PYX RESOURCES LIMITED
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PYX RESOURCES LIMITED

Share-Based Payments
Refer to Notes 1(k).

During the year ended 31 December 2023, share-based payments represent $7,616,663 of the Group's expenditure. Share-based payments must be recorded at fair value of the service provided, or in the absence of such, at the fair value of the underlying equity instrument granted.

Under Australian Accounting Standards, equity settled awards are measured at fair value on the measurement date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions.

In calculating the fair value of the underlying equity instrument there are key judgements that management must make, including but not limited to:

- Estimating the likelihood that the equity instrument will vest;
- Estimating expected future share price volatility;
- Estimating expected dividend yield; and
- Risk-free rate of interest.

Due to the significance to the Group's financial report and the level of judgment involved in determining the fair value of the underlying equity instrument granted, we consider the Group's calculation of the share-based payments expense to be a key audit matter.

Our procedures included, amongst others:

Obtaining an understanding of and evaluating the design and implementation of the processes and controls associated with the preparation of the valuation model used to assess the fair value of the underlying equity instrument granted.

Assessing the key judgements used in the Group's calculation including the share price of the underlying equity instrument including but not limited to:

- Estimating the likelihood that the equity instruments will vest;
- Estimating expected future share price volatility;
- Estimating expected dividend yield; and
- Risk-free rate of interest.

Assessing the Group's accounting policy as set out within Note 1(k) for compliance with the requirements of AASB 2 Share-based Payments.

PITCHER PARTNERS

PYX RESOURCES LIMITED
ABN 30 073 099 171

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PYX RESOURCES LIMITED

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

PYX RESOURCES LIMITED
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PYX RESOURCES LIMITED

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PYX RESOURCES LIMITED
ABN 30 073 099 171

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PYX RESOURCES LIMITED

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 146 to 152 of the Directors' report for the year ended 31 December 2023. In our opinion, the Remuneration Report of PYX Resources Limited, for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PITCHER PARTNERS BA&A PTY LTD

PAUL MULLIGAN
Executive Director
Perth, 15 March 2024

Shareholder and Investor Information

Additional information required by National Stock Exchange of Australia Limited and the Main Market of the London Stock Exchange not shown elsewhere in this Annual Report is as follows. The information is as at 31 December 2023.

SHAREHOLDER INFORMATION AS AT MOST RECENT BALANCE DATE (31 DECEMBER 2023)

TWENTY LARGEST SHAREHOLDERS (AS AT 31 DECEMBER 2023)

Ordinary Shareholders	**Number of Ordinary Shares Fully Paid**	
Computershare Clearing Pty Ltd <CCNL DI A/C>	137,352,046	29.94
Phoenix Fund Solutions Limited	92,520,635	20.17
Cedrus Investments Ltd <Nominees 2 A/C>	84,822,342	18.49
TGN Holdings (HK) Limited	51,638,685	11.26
Citicorp Nominees Pty Limited	31,258,416	6.81
BNP Paribas Nominees Pty Ltd (Group #48232)	13,289,672	2.90
Jura Ventures Limited	13,000,000	2.83
Cedrus Investments Ltd <Nominee 1 A/C>	10,177,873	2.22
Edelweiss Partners Limited	7,920,710	1.73
Sino Ventures Limited	5,934,257	1.29
HSBC Custody Nominees (Australia) Limited	4,375,966	0.95
Augment Holdings Ltd	901,720	0.20
Apezo Pty Ltd	740,000	0.16
HSBC Custody Nominees (Australia) Ltd	640,000	0.14
BNP Paribas Nominees Pty Ltd ACF Clearstream	492,661	0.11
Brad Hawkins Consulting Pty Ltd	431,000	0.09
Mr. Julian Lionel Sandt	315,000	0.07
The Paloma Investments (#1156559)	259,964	0.06
Mr. Ross Edward Cargeeg	245,000	0.05
Insight Exploration Pty Ltd	180,000	0.04
	456,495,947	**99.49**

DISTRIBUTION OF SHARE HOLDERS (AS AT 31 DECEMBER 2023)

SPREADS OF HOLDINGS	**NUMBER OF HOLDERS**	**NUMBER OF UNITS**
1 – 1,000	382	101,235
1,001 – 5,000	95	221,365
5,001 – 10,000	25	192,505
10,001 – 100,000	47	1,551,707
100,001 – 999,999,999,999	22	456,750,349
TOTAL	**571**	**458,817,161**

SHAREHOLDER INFORMATION AS AT 31 DECEMBER 2023

VOTING RIGHTS

Each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands.

Every person who is a member or a representative or a proxy of a member shall have one vote and on a poll every member present in person or by proxy or attorney or other authorised representative shall have one vote for each share held.

NUMBER OF HOLDERS OF EQUITY SECURITIES

ORDINARY SHAREHOLDERS

There are 458,817,161 fully paid ordinary shares on issue, held by 571 individual shareholders as at 31 December 2023.

SUBSTANTIAL SHAREHOLDERS

The following shareholders were recorded as Substantial Holders, based on Form 603 Notice of Initial Substantial Holder and Form 604 Notice of Change of Interests of Substantial Holder, announced on PYX Announcements on the PYX's page on the National Stock of Australia website as at 31 December 2023.

Ordinary Shareholders	**Number of Ordinary Shares Fully Paid**	**Percentage**
Phoenix Fund Solutions Limited	92,520,635	20.17
Takmur SPC Limited	84,109,669	18.33
Phoenician Group Limited	62,628,770	13.65
TGN Holdings (HK) Limited	51,638,685	11.25

OPTIONS

As at 31 December 2023 the Company had the following unlisted options on issue:

- 2,083,431 options with an exercise price of £0.86 and an expiry date of 21-Mar-2025, held by L1 Capital Global, and
- 2,323,645 options with an exercise price of £0.45 and an expiry date of 06-Dec-2025, held by L1 Capital Global Opportunities Master Fund.

Unlisted options do not carry any voting rights.

WARRANTS

As at 31 December 2023 the Company had the following warrants on issue:

- 3,000,000 options with an exercise price of £100 and an expiry date of 07-0ct-2025, held by GEM Global Yield LLC SCS.

Warrants do not carry any voting rights.

PERFORMANCE RIGHTS

As at 31 December 2023 the Company had 160,000 Performance Rights held by Ms. Queenie Tsang on issue that are convertible into a maximum of 240,000 Shares, subject to the achievement of milestones.

Performance Rights do not carry any voting rights.

RESTRICTED SECURITIES

As at 31 December 2023 there are no restricted securities.

Glossary

Where the following terms are used in this Annual Report, they have the following meanings:

$ means United States Dollars

ASX means Australian Securities Exchange Limited ABN 008 624 691.

AU$ means Australian Dollar as the currency of the Commonwealth of Australia.

Chairman means the chairman of the Board from time to time.

Company or PYX means PYX Resources Limited ABN 30 073 099 171, being a company incorporated in Australia and having registered address at Level 6, 56 Pitt Street, Sydney NSW 2000.

Company Secretary means the company secretary of the Company.

Group Company means the Company or any associated body corporate.

Heavy Mineral Concentrate (HMC) means the heavy mineral concentrate of zircon, rutile, and ilmenite.

Heavy Mineral (HM) or Heavy Mineral Sands (HMS) describes layered sediments deposited in coastal environments that contain dense (“heavy”) minerals of economic value. The heavy minerals extracted from these coastal deposits contain mostly titanium components and zircon.

IUP-OP means “lzin Usaha Pertambangan Operasi Produksi’; or Mining Business Permit for Production Operations granted by the Government of Indonesia.

JORC or JORC Code means the 2012 Australian Code for Reporting of Exploration Results, Mineral Resources and Oil and Gas Reserves. Listing means the admission of the Company and Official Quotation of the securities of the Company.

LSE means London Stock Exchange

Mandiri or PT IM means PT lnvestasi Mandiri, a subsidiary of Takmur.

Mandiri Plant means the heavy mineral sands processing plant forming part of the assets of Mandiri.

Mineral Separation Plant (MSP) means the plant that mines and processes sand in the production of industrial minerals such as ilmenite, rutile, monazite and zircon. The plant conducts dry mining of beach washings, which are then processed through wet gravity separation equipment. Through the separation process, heavy minerals are isolated using their individual specific gravity, electrical conductivity, magnetic susceptibility, and surface characteristics.

Mandiri Project means Takmur's mineral sands project located at the Mandiri Tenement including the Mandiri Tenement, Mandiri Plant and the operations of Mandiri.

Mandiri Tenement means the area as stated in the IUP-OP.

Mining Field Unit (MFU) means the specialized mining equipment used in the mineral sands industry including diesel pumps and riffle boxes, dedicated to pump soil into hydro cyclones and spirals in order to obtain Heavy Mineral Concentrate through the wet concentration process.

NSX means the National Stock Exchange of Australia.

Performance Right means a right to acquire a Share, subject to satisfaction of any vesting conditions, and the corresponding obligation of the Company to provide the Share, pursuant to a binding contract made by the Company under the Stock Incentive Plan.

PT AUM means PT Andary Usaha Makmur, a 99.5% owned subsidiary of Takmur. Share means a fully paid ordinary share in the capital of the Company.

PT TIA means PT Tisma lnvestasi Abadi, a 99% owned subsidiary of Takmur. Share means a fully paid ordinary share in the capital of the Company.

Takmur means Takmur Pte. Ltd. a company incorporated in Singapore with company number: 20181911Z and registered address: #14-02, The Arcade, 11 Collyer Quay, Downtown Core, 049317, Singapore.

Tisma or PTTGN means PT Tisma Global Nusantara, a subsidiary of Tisma.

Valuable Heavy Mineral (VHM) means the subsection of Heavy Mineral Sands (HMS) deposits including only the Heavy Minerals (HM) with an economic value (mostly titanium components and zircon) and excluding residual waste and water.

Corporate Information

Directors

Mr. Oliver B. Hasler, Mr. Bakhos Georges, Dr. Raden Sukhyar, Mr. Alvin Tan

Company Secretary

Ms. Louisa Martino

Registered Office

Level 5, 56 Pitt Street
Sydney NSW 2000, Australia
Telephone: +612 8823 3132
Website: www.pyxresources.com

Auditors

Pitcher Partners BA&A Pty Ltd
Level 11, 12-14 The Esplanade
Perth WA 6000, Australia

National Stock Exchange of Australia

Listing NSX Code: PYX

London Stock Exchange

Listing LSE Code: PYX

Share Registry

Automic
Level 5, 126 Phillip Street, Sydney NSW 2001, Australia
Telephone: +612 9698 5414

Australian Company Number and Australian Business Number

ACN 073 099 171
ABN 30 073 099 171

Depositary

Computershare Investor Services plc
The Pavilions, Bridgewater Road, Bristol, BS 13 8AE, United Kingdom

Broker to the Company

WH Ireland
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