

Operations Update HY 2022

Consistent Price Growth Despite June's Metal Crash

HIGHLIGHTS

- PYX Premium Zircon prices continued to increase to US\$2,749 per tonne for H1 2022 showing an 92% YoY increase
- Mineral Sands production grew by 163% after starting production of TiO₂ feedstocks
- Sales Volume grew by 19% amid logistics delays
- Order book and pricing remain strong as a result of the lack of supply
- Zircon prices shown to be stable even after June's metal market crash
- Vaccinated 100% of its employees against Covid-19

Commenting on the Company's achievements in HY22, PYX Resources' Chairman and Chief Executive Officer, Oliver B. Hasler, said:

"I am very pleased with our achievements during HY 2022. We have increased our production volumes and started producing rutile and ilmenite by-products at our mine. The Mineral Sands industry is experiencing a strong upcycle with prices driven by supply-demand fundamentals. This was particularly evident, during last month's metals price crash, where Mineral Sand prices remained unaffected, despite a significant crash in most other metals.

We are optimistic about the second half of the year and remain well placed to deliver on our strategic plan and benefit from the strength and continued rise of the Mineral Sands prices."

PYX Resources Ltd (PYX or the Company) (**NSX: PYX | LSE: PYX**), the world's second-largest publicly-listed zircon producer by zircon resources¹, is pleased to announce an operational update for the six months ended 30 June 2022 ("**H1 2022**") ahead of the publication of its interim results for the same period, anticipated to be release on or around 13 September 2022.

The Company has performed strongly in the first half of the year due to a boost in Mineral Sands production, sales volume growth, and ongoing price increases. In H1 2022, PYX produced 9.2kt and sold 3.9kt of Mineral Sands, resulting in a year-on-year production increase of 163% and 19% sales rise, respectively. The year-on-year ('YoY') Premium Zircon production increased by 23%. The Company increased its finished goods inventories to 5.8kt as a result of the start of Rutile and Ilmenite production and limited freight availability at the end of June 2022.

June 2022 saw the metals market come under pressure and experience the hardest crash since the

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

crash in 2008.² We believe the trigger was not only the equity markets but the uncertainty of global recession, inflation, higher interest rates, and the fear that the war in Ukraine might spread to other countries. In the period 1 January 2022 to 30 June 2022, Copper for example had a -14.9% percent correction to US\$8,245t and tin fell sharply by -32.2% to US\$26,689t.³ During the same period, Mineral Sands prices (as measured by Asian Metal) showed an increase. South African Zircon and Australian Zircon increased for the period of H1 2022 from US\$1,860t to US\$2,110t⁴ and PYX's Premium Zircon went from US\$2,450t to US\$2,766t (being the Company's average prices for the months of January 2022 compared with June 2022), which we believe illustrates that Mineral Sands prices are based on physical trade which is impacted by a lack of supply.

In December 2021, PYX Resources announced that it had increased its capacity at its Minerals Separation Plant by 33%. The additional 6ktpa capacity was utilised to produce Rutile and Ilmenite during H1 2022. Tailings accumulated over the years were used to feed the process, which resulted in an Ilmenite inventory of 4,595 tonnes and Rutile of 318 tonnes. Moving from sole Premium Zircon production to Premium Zircon, Rutile and Ilmenite reduced the Premium Zircon output for H1 but we believe it will benefit the total operation and margins in the long run.

Customer demand continued to be strong, showing particular interest in PYX's Premium Zircon due to its low aluminium oxide (Al_2O_3) of under 0.2%. In addition, the uranium and thorium content of PYX's Zircon is less than 500ppm. PYX has continued to diversify its sales into different countries and industries, including adding customers in Spain, USA and UK in the last six months as the Company seeks to limit its exposure to potential customer disruptions amid geopolitical issues.

Currently, more than 70 Governments (including China, European Union and the United States) have set the year 2050 as the goal for Net-Zero emissions and alongside this have overseen the rollout of various technologies considered essential to the energy transition including solar cells, nuclear energy, and catalysis, many of which currently require Zircon in their manufacture. The Australian Government classes Zircon, Rutile, and Ilmenite, as crucial minerals vital for the economic well-being of the world's major and emerging economies. As the world moves toward decarbonisation, the demand for zircon is expected to continue to increase.⁵

PYX Cares Programme

During 2022 PYX continued with its PYX Cares programme based on 5 pillars: People, Planet, Prosperity, Peace, and Partnership and subscribed to the UN Global Compact. In 2022, PYX realised projects on quality education, clean water and sanitation, viable employment, and building partnerships to further these goals.

During the period the Company reported some Covid-19 cases, but none have resulted in fatalities. The Covid-19 vaccination programme has been successful with 86% of its employees fully vaccinated with the 3rd Covid-19 vaccine and 100% vaccinated with the first two vaccines. For the second consecutive year PYX has taken part in National Blood Donor Day, using the banner 'Give Blood, Save Life'.

² Refer article "*Industrial Metals see biggest Q2 drop since 2008 as sentiment collapses – ANZ*" by Anna Golubova, Monday July 11, 2022, Kitco News www.kitco.com

³ London Metal Exchange – LME Copper Official Prices and LME Tin Official Prices (lme.com)

⁴ Prices sourced from Asian Metal (asianmetal.com)

⁵ Australian Government, Australian Critical Minerals Prospectus 2021 <https://bit.ly/3qfYInX>

21 July 2022



PYX's Zircon, Rutile and Ilmenite

***** ENDS *****

For more information:

ir@pyxresources.com

Tel.: +61 2 8823 3132

This announcement is authorised for release by Oliver B. Hasler, Chairman and Chief Executive Officer.

About PYX Resources

PYX Resources Limited (NSX: PYX | LSE: PYX) is a producer of premium zircon dual listed on the National Stock Exchange of Australia and on the Main Market of the London Stock Exchange. PYX's key deposits, Mandiri and Tisma, are large-scale, near-surface open pit deposits both located in the alluvium-rich region of Central Kalimantan, Indonesia. PYX, whose Mandiri deposit has been in production since 2015, is the 2nd largest publicly traded producing mineral sands company by zircon resources globally. Determined to mine responsibly and invest in the wider communities where we operate, PYX is committed to fully developing its Mandiri and Tisma deposits, with the vision to consolidate the mineral sands resources in Kalimantan and explore and acquire mineral sands assets in Asia and beyond.