APPENDIX 3 – HALF YEAR REPORT

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Half Year Ended 31 December 2019 $	Half Year Ended 31 December 2018 restated(i) $	Movement $	Movement %
Income Statement				
Revenue from ordinary activities	-	-	-	0%
Net loss from ordinary activities after tax attributable to members	(1,423,913)	(588,487)	(835,426)	(142%)
Total comprehensive loss for the period attributable to members	(1,438,288)	(592,238)	(846,050)	(143%)

(i) Refer to note 14 in the condensed interim financial report for details.

During the half year ended 31 December 2019 the Company issued 200,178,900 shares (10,008,945 post consolidation of 20 shares to 1 share) in satisfaction of trade creditors and convertible notes. This resulted in an expense recognised in profit and loss of $1,013,939.

The information, contained in this Appendix 3, prepared for the purposes of meeting the Company's periodic disclosure requirements on the National Stock Exchange of Australia, should be read in conjunction with the 31 December 2019 Condensed Interim Financial Report and 30 June 2019 Annual Report available on the Company's website www.pyxresources.com.

DIVIDENDS:

No dividends were paid or declared for payment during the half year period under review.

DIVIDEND REINVESTMENT PLAN:

The Company does not operate a dividend reinvestment plan.

EARNINGS PER SHARE:

	Half Year Ended 31 December 2019	Half Year Ended 31 December 2018 restated(i)
Basic loss per share (cents per share)	(9.42)	(7.11)
Diluted loss per share (cents per share)	(9.42)	(7.11)

(i) Earnings per share (basic and diluted) are based on a weighted average number of shares on issue of 15,112,476 (31 December 2018: 165,515,311) ordinary shares. On 24 December 2019 the Company consolidated its shares on a 20 shares to 1 share basis, reducing the number of shares on issue as at 24 December 2019 from 365,694,221 shares (pre-consolidation) to 18,284,582 shares on issue. The result for the half year ended 31 December 2018 has been recalculated after amending the number of shares, at that time, for the consolidation.

ENTITIES ACQUIRED AND DISPOSED DURING THE PERIOD

No entities were acquired nor disposed during the period.

DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES HELD DURING THE PERIOD

No associates or joint venture entities were held were held during the period.

AUDITOR'S REVIEW

This report is based on accounts that have been subject to an Auditor's review. There are no items of dispute with the auditor and the review report is not subject to qualification.

PYX RESOURCES LTD

(Formerly South Pacific Resources Limited)

ABN 30 073 099 171

CONDENSED
INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

TABLE OF CONTENTS

CORPORATE DIRECTORY

Directors
Mr Oliver Hasler
Mr Alvin Tan
Mr Bakhos Georges
Mr Gary J Artmont

Company Secretary
Ms Louisa Martino

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National Stock Exchange of Australia Listing
NSX Code-PYX

Australian Company Number and Australian Business Number
ACN 073 099 171
ABN 30 073 099 171

DIRECTORS' REPORT

Your Directors submit their report together with the condensed interim financial report of Pyx Resources Ltd ("Pyx" or the "Company") and its controlled entities (the "Group"), for the half year ended 31 December 2019 and independent review report thereon. This financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting*.

Directors

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

Oliver Hasler (Chief Executive Officer) – appointed 31 January 2020
Bakhos Georges (Non-Executive Director) – appointed 31 January 2020
Gary J Artmont (Non-Executive Director) – appointed 31 January 2020
Alvin Tan (Non-Executive Director)

Domenic Martino (Managing Director) – resigned 31 January 2020
Joseph (Yosse) Goldberg (Non-Executive Director) - resigned 31 January 2020

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

Oliver is an accomplished chief executive, president and board member successfully leading world-class businesses and brands spanning multiple industries and markets, including natural resources, agro-industry, innovative manufacturing and various industrial sectors.

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 then acquired for a value exceeding US$2 billion. Major projects Oliver has participated in include revision to the strategy of the Professional Division of Douwe Egberts, which is headquartered in the Netherlands, and its joint venture with U.S.-based Mondelez, and the restructuring of France's Arc International.

Oliver 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.

Oliver 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 Iberoamericana in Mexico City. He is fluent in English, German, Spanish and French.

Bakhos Georges; Director

Bakhos has more than forty 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.

Bakhos has 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.

Bakhos received a B.Ph.Chem from USMV in 1982.

Gary J. Artmont; Director

Gary has forty-six years of experience in the mining business operating in 21 countries and is familiar with all aspects of mineral exploration from grassroots to project pre-feasibility studies through to mining operations.

Gary is a fellow member of AUSIMM #312718 qualified to write NI 43-101 or JORC Competent Person reports. He is experienced in the management of large multifaceted regional and detailed exploration programs in overseas locations with 14 years working in tropical environments.

Gary has worked as a geologist and project manager for multiple organizations over the past four decades, including Geostar Consulting. Rio Tinto, PT Pelsart Indonesia, PT Freeport Indonesia and Ivanhoe Mining China.

Gary received a Bachelor Degree from Waterloo University, Ontario.

Review and Results of Operations

The loss after income tax of the Group for the half year ended 31 December 2019 was $1,423,913 (31 December 2018 loss: $588,487).

Acquisition of Takmur Pte Ltd.

On 7 August 2019, the Company announced that it had signed a sale and purchase agreement to acquire Takmur Pte. Ltd. (**Takmur**), a Singapore based company that has exclusive rights to the operation and management of a mineral sands tenement and production facility, which includes a premium quality mineral sands deposit in Indonesia. Takmur's objective is to build shareholder value by adding premium quality mineral sands deposits to its portfolio both in Indonesia and globally.

Takmur, through its subsidiary PT Andary Usaha Makmur (**PT AUM**), has exclusive contractual rights to the operation and management of the Mandiri Project (held by PT Investasi Mandiri (**PTIM**)), which includes a premium quality mineral sands target in Indonesia.

The Mandiri Project consists of a licensed concession area of 2,032 hectare located in Central Kalimantan Province, Indonesia for mineral sands exploration and premium grade Zircon production and export. The Mandiri Project is located in the Kuala Kurun administration area, within the Gunung Mas Regency in Central Kalimantan and is approximately 170 km North of the provincial capital city Palangkaraya.

On 24 January 2019 PT AUM, a 99% owned subsidiary of Takmur, entered into an Exclusive Operation and Management Agreement with PTIM, the holder of IUP-OP zircon production and export license 16/DPE/IX/2010, under which PT AUM has committed to provide mining equipment, technical and management know-how to develop the Mandiri Project. This Exclusive Operations and Management Agreement forms the basis of the Takmur's interest in the Mandiri Project. Takmur does not have a direct ownership interest in the Mandiri Tenement.

Under the terms of this agreement PTIM and its shareholders have delegated to PT AUM:

- the power to determine the financial and operational policy of PTIM;
- the right to appoint the majority of PTIM directors; and
- the right to receive 95% of PTIM's net profit on an annual basis as a compensation for the services provided to PTIM.

The acquisition of Takmur completed on 31 January 2020. On completion the Company changed its name to "Pyx Resources Limited". Additionally, Mr Domenic Martino and Mr Joseph (Yosse) Goldberg resigned and were replaced by three new Board of Directors (**Board**) members; Mr Oliver Hasler, Mr Gary J Artmont and Mr Bakhos Georges. Mr Alvin Tan remains as a Director following the acquisition.

Sale of Oil and Gas Assets
In respect of the Company's Papua New Guinea assets, given the low oil price and lack of commercial prospectively, the Company entered into a share sale agreement with Ana and Bella Pty Ltd during the half year to divest the Papua New Guinea assets through the sale of Indo Pacific Energy Pty Ltd, South Pacific Resources Ltd (PNG) and Pacific Shale Gas Limited. The sale was subject to conditions precedent and was completed on 31 January 2020.

Consolidation of Equity
During December 2019 the Company conducted a 20 to 1 consolidation of its existing issued capital, reducing the issued capital of the Company to 18,284,582 fully paid ordinary shares.

Conversion of Debt to Equity
On 20 August 2019 shareholders approved the issue of 200,178,900 shares (10,008,945 shares post-consolidation) in payment of $3,002,683 of trade creditors (including director fees outstanding as at 30 June 2019) and convertible notes. The number of shares to be issued was calculated on an agreed conversion price of $0.015. The fair value per share issued on 29 August 2019 has been calculated at $0.40 per share (post share consolidation) based on a quoted market price, totalling $4,003,578. As a result of the difference between the conversion price and the fair value of the issue price, an equity conversion cost of $1,013,939 (including fees of $13,044) has arisen and has been recognised in profit in loss.

Public Offer
During the half year the Company issued a Prospectus and Replacement Prospectus' seeking to raise AU$14 million (before costs) through the issue of 35,000,000 shares (post-consolidation) at a price of AU$0.40 per share under a prospectus (**Public Offer**). The Public Offer was successfully closed on 24 January 2020, fully subscribed.

Proposed Listing on National Stock Exchange of Australia
On 24 December 2019, the Company advised that following consultations with the Australian Securities Exchange (**ASX**) in relation to its application for re-listing pending the acquisition of Takmur on the terms announced on 7 August 2019 and approved by the Company's shareholders at the General Meeting on 13 December 2019 and, considering the ASX in-principle advice stating it would reject the Company's application for re-admittance to the Official List of ASX and further discussion with the ASX on this matter, the Board determined that it did not wish to make further submissions to the ASX in relation to the application for re-admission and resolved to consider listing alternatives for the Company.

As a result, the Board resolved that it was in the best interest of the Company's shareholders and all stakeholders to apply to ASX for in-principle advice in relation to the removal from the Official List of ASX (**Delisting**) and to submit an application for listing on the National Stock Exchange of Australia (**NSX**) of the Company's shares, and to withdraw the current application for re-admittance to the Official List of the ASX.

The Company was removed from the Official List of the ASX on 11 February 2020 and admitted to the NSX on 25 February 2020.

Petroleum Prospecting Licenses
Conventional licences held at the end of the half year were as follows:

Petroleum Prospecting License	Location	Equity
PPL 356	Offshore Papuan Basin, PNG	100%
PPL 357	Offshore Papuan Basin, PNG	100%
PPL 358	Offshore Cape Vogel Basin, PNG	100%
PPL 366	Onshore Papuan Basin, PNG	100%
PPL 367	Onshore Papuan Basin, PNG	100%

These conventional licences, held by Indo Pacific Energy Pty Ltd, South Pacific Resources Ltd (PNG) and Pacific Shale Gas Limited (**Papua New Guinea assets**) are subject to the share sale agreement with Ana and Bella Pty Ltd which completed on 31 January 2020. As a result, as at the date of this report the Group does not hold any interest in petroleum prospecting licenses.

Mineral Sands Licenses

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

There are no other licenses or permits as at the date of this report.

Significant Changes in the State of Affairs

Other than as discussed in the Review of Operations, there have been no significant changes in the Company's state of affairs during the half year ended 31 December 2019.

Significant Events after Balance Date

The following 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:

- On 24 January 2020, the Company completed a successful capital raise of AU$14 million (before costs), with 35,000,000 shares issued at AU$0.40 per share;
- On 31 January 2020, the Company completed acquisition of Takmur via a reverse takeover. Essentially the business of Takmur and its controlled entities is the main undertaking of the Group going forward. As part of the acquisition of Takmur, the Company issued 210,274,171 shares to the vendors of Takmur;
- On 31 January 2020, the Company completed the divestment of the Papua New Guinea assets through the sale of Indo Pacific Energy Pty Ltd, South Pacific Resources Ltd (PNG) and Pacific Shale Gas Limited;
- On completion of the acquisition of Takmur the Company changed its name to "Pyx Resources Limited";
- Mr Domenic Martino and Mr Joseph (Yosse) Goldberg resigned on 31 January 2020 and were replaced by three new Board members; Mr Oliver Hasler, Mr Gary J Artmont and Mr Bakhos Georges. Mr Alvin Tan remains as a Director following the acquisition of Takmur;
- The Company issued 17,675,376 performance rights to Mr Oliver Hasler post half year end. These performance rights can be converted into a maximum of 21,110,195 shares on the achievement of various milestones at various dates between 31 March 2020 to 31 December 2022.
- The Company de-listed from the ASX on 11 February 2020 and listed on the NSX on 25 February 2020.

Rounding of Amounts

In accordance with ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, the amounts in the Directors' report and in the condensed interim financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar.

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:

Oliver Hasler
Chief Executive Officer

Hong Kong
Date: 13 March 2020

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Pyx Resources Limited (formerly South Pacific Resources Ltd), I state that:

In the opinion of the Directors:

a) the consolidated financial statements and notes of Pyx Resources Limited (formerly South Pacific Resources Limited) and its controlled entities (the "Group") are in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position of the Group as at 31 December 2019 and its performance for the half year then ended on that date; and

- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Oliver Hasler
Chief Executive Officer

Hong Kong
Date: 13 March 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	31-Dec-19 $	31-Dec-18 Restated(i) $
Continuing operations			
Other income			
Gain on extinguishment of convertible note		-	22,512
Other income	3	72,117	-
Total Income		72,117	22,512
Expenses			
ASIC and stock exchange fees		(34,396)	(16,033)
Consultancy and other professional fees		(113,317)	(75,752)
Directors' fees		-	(96,000)
Loss on extinguishment of liabilities	6	(1,013,939)	-
IT services		(892)	(728)
Pre-tenure exploration and evaluation expenditure		-	(6,476)
Impairment of exploration and evaluation expenditure		-	(6,476)
Interest expense		-	(165,587)
Interest on convertible note		(3,901)	(139,786)
Loss on conversion of convertible note	5	(21,073)	-
Office rental	9	(46,154)	(70,928)
Prospectus and meeting costs		(201,171)	-
Travel and accommodation expenses		-	(555)
Other expenses	3	(61,187)	(32,678)
Total Expenditure		(1,496,030)	(610,999)
Loss from ordinary activities before income tax expense		(1,423,913)	(588,487)
Income tax expense relating to ordinary activities		-	-
Loss for the half year from continuing operations attributable to the members of the Company		(1,423,913)	(588,487)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange differences on translating foreign operations		(14,375)	(3,751)
Other comprehensive loss for the half year, net of income tax		(14,375)	(3,751)
Total comprehensive loss attributable to the members of the Company		(1,438,288)	(592,238)
Earnings per share for loss from continuing operations attributable to equity holders of the Company			
Basic loss per share (cents per share)		(9.42)	(7.11)
Diluted loss per share (cents per share) (ii)		(9.42)	(7.11)

(i) Refer to note 14 for details.
(ii) Refer to note 6 for details.

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 12 to 23.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	31-Dec-19	30-June-19
		$	$
Current Assets			
Cash and cash equivalents		3,415	4,646
Trade and other receivables		45,809	14,348
Total Current Assets		49,224	18,994
Non-Current Assets			
Rental bond		-	50,000
Office equipment		-	648
Exploration assets	4	-	-
Total Non-Current Assets		-	50,648
Total Assets		49,224	69,642
Current Liabilities			
Trade and other payables		558,092	2,347,706
Borrowings	5	136,814	913,464
Total Current Liabilities		694,906	3,261,170
Total Liabilities		694,906	3,261,170
Net Liabilities		(645,682)	(3,191,528)
Equity			
Issued capital	6	10,814,490	6,830,356
Share based payment reserve	7	504,260	504,260
Foreign currency translation reserve		73,862	88,237
Accumulated losses		(12,038,294)	(10,614,381)
Total Equity		(645,682)	(3,191,528)

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 12 to 23.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Ordinary Shares $	Share Based Payment Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Attributable to Members $
Balance at 1 July 2019	6,830,356	504,260	88,237	(10,614,381)	(3,191,528)
Comprehensive loss for the half year:					
Foreign exchange movement	-	-	(14,375)	-	(14,375)
Loss for the half year	-	-	-	(1,423,913)	(1,423,913)
Total comprehensive loss for the half year	-	-	(14,375)	(1,423,913)	(1,438,288)
Transactions with owners in their capacity as owners:					
Issued capital					
Issue of 10,008,945 shares at $0.40 per share in payment of creditors (post-consolidation) during the half year	4,003,578	-	-	-	4,003,578
Costs associated with capital raise	(19,444)	-	-	-	(19,444)
Balance at 31 December 2019	10,814,490	504,260	73,862	(12,038,294)	(645,682)
Balance at 1 July 2018	6,830,356	504,260	100,010	(9,816,515)	(2,381,889)
Comprehensive loss for the half year:					
Foreign exchange movement	-	-	(3,751)	-	(3,751)
Loss for the half year[(i)]	-	-	-	(588,487)	(588,487)
Total comprehensive loss for the half year	-	-	(3,751)	(588,487)	(592,238)
Transactions with owners in their capacity as owners	-	-	-	-	-
Balance at 31 December 2018[(i)]	6,830,356	504,260	96,259	(10,405,002)	(2,974,127)

[(i)] Refer to note 14 for details.

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 12 to 23.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31-Dec-2019	31-Dec-2018
	$	$
Cash flows from operating activities		
Cash paid to suppliers and employees	(84,607)	(26,892)
Net cash used in operating activities	(84,607)	(26,892)
Net cash used in investing activities	-	-
Cash flows from financing activities		
Proceeds from borrowings	83,376	27,569
Net cash from financing activities	83,376	27,569
Net (decrease)/increase in cash and cash equivalents	(1,231)	677
Cash and cash equivalents at beginning of the half year	4,646	3,576
Cash and cash equivalents at end of the half year	3,415	4,253

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 12 to 23.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1. SIGNIFICANT ACCOUNTING POLICIES

Pyx Resources Limited (the **Company**) is a company limited by shares, incorporated and domiciled in Australia and listed on the National Securities Exchange of Australia. The condensed interim financial report as at and for the half year ended 31 December 2019 covers the consolidated group of Pyx Resources Limited and the entities it controlled (together **the Group**). The Group is a for profit entity.

The condensed interim financial report of the Group for the half year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Directors on 13 March 2020.

a) Statement of compliance

The condensed interim financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting* (**AASB 134**). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting.* The condensed interim financial report does not include notes of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that the condensed interim financial report be read in conjunction with the most recent annual financial report together with any public announcements made by the Company during the half year ended 31 December 2019 in accordance with the continuous disclosure obligations.

b) Basis of preparation

The interim financial statements have been prepared under the historical cost convention. All amounts are presented in Australian dollars, unless otherwise noted.

The same accounting policies and methods of computation have generally been applied in these half year financial statements as compared with the most recent annual financial statements, except for the adoption of new standards and interpretations effective as of 1 July 2019. With the exception of the new standards discussed below, the adoption of the new standards and interpretations effective as of 1 July 2019 had no material impact on the Group.

New Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the half year financial statements of the Group:

AASB No.	Title	Application for annual reporting periods beginning
AASB 16	Leases	1 January 2019

AASB 16: *Leases* (**AASB 16**) replaced AASB 117: *Leases* (**AASB 17**) and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

(a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

i. investment property, the lessee applies the fair value model in AASB 140: Investment Property to the right-of-use asset; or

ii. property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and

(b) lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117.

In accordance with the transition requirements of AASB 16, the Group has elected to apply AASB 16 retrospectively to those contracts that were previously identified as leases under the predecessor standard, with the cumulative effect of initially applying the new standard recognised at the beginning of the current reporting period (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The Group has assessed its lease in existence as at 1 July 2019 and concluded that it does not fall within the scope of AASB 16 as the Group does not have the right to control the underlying asset (shared office space) to which the lease relate. Rental payments made in relation to the lease have therefore continued to be recognised as an expense on a straight-line basis over the lease term.

c) Going concern

The Group incurred a net loss of $1,423,913 for the half-year ended 31 December 2019 (31 December 2018: $588,487) and generated an operating cash outflow of $84,607 (31 December 2018: $26,892), and as at that date, had net current liabilities of $645,682 (30 June 2019: $3,242,176) and net liabilities of $645,682 (30 June 2019: $3,191,528).

The condensed interim financial report has been prepared on a going concern basis. In arriving at this position the Directors have determined that the Group has, or in the Directors opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this report based upon a cashflow budget prepared by management.

In forming this view, the Directors have taken into consideration that under a Replacement Prospectus dated 13 January 2020, the Company successfully raised AU$14 million (before costs) through a fully subscribed public offer. The Replacement Prospectus was announced (and is available for review) on the NSX on 20 February 2020 and sets out the following key information that has been factored into the Director's determination of the Group's ability to continue as a going concern:

- The operations of the business (Section 3);
- Existing customers (Section 3.6);
- The use of funds, including capital expenditure (section 2.13); and
- The risks associated with the operations (Section 5)

The condensed interim financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern and meet its debts as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

2. SEGMENT INFORMATION

AASB 8 *Operating Segments*, requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group engages in one business segment, being exploration and development of oil and gas licences, activities from which it incurs costs. Consequently the results of the Group are analysed as a whole by the chief operating decision maker.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

3. INCOME AND EXPENSES

	31-Dec-19	31-Dec-18
	$	$
Other income		
Reversal of indirect tax payable	20,319	-
Reversal of trade creditor	51,798	-
	72,117	-

	31-Dec-19	31-Dec-18
	$	$
Other expenses		
Bank charges	1,039	618
Insurance	29,094	7,008
Share registry services	20,173	7,565
Other expenses	10,881	17,487
Total other expenses	61,187	32,678

4. EXPLORATION ASSETS

	31-Dec-19	30-Jun-19
	$	$
Capitalised exploration expenditure	3,183,825	3,183,825
Cumulative impairment of capitalised exploration expenditure	(3,183,825)	(3,183,825)
	-	-

The capitalised exploration expenditure relates to the Group's projects in Papua New Guinea.

Movement in carrying values		
Capitalised exploration expenditure		
Carrying value at the beginning of the period	-	-
Capitalised exploration expenditure during the period	-	7,381
Impairment of capitalised exploration expenditure during the period	-	(7,381)
Carrying value at end of the period	-	-

Exploration expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development on the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. If ultimately the areas of interest are abandoned or are not successfully commercialised, the carrying value of the capitalised exploration expenditure would need to be written down to its recoverable amount.

A regular review is undertaken of each areas of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Factors that could impact recoverability include the level of reservices and resources, future technological changes, costs or drilling and production, production rates, future legal changes (including changes to environmental; rehabilitation obligations) and changes to commodity prices.

The Directors have assessed the recoverability of the capitalised exploration expenditure as at 31 December 2019 in light of the above factors and concluded that it is not certain the recoverable amount will exceed the amount capitalised. Therefore, the Directors have concluded it remains appropriate to continue to fully impair the capitalised exploration expenditure.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

5. BORROWINGS

	31-Dec-19	30-June-19
	$	$
Convertible notes (i)	-	860,026
Loans payable – related parties (ii)	76,314	52,938
Loans payable – third party (iii)	60,000	-
Loans Payable – minimum risk	500	500
Total borrowings	136,814	913,464

(i) Convertible notes

The Company issued 750,000 10% convertible notes for $750,000 on 25 October 2017. The notes were convertible into ordinary shares of the Company, at the option of the holder, or repayable on 25 October 2018. The repayment date was subsequently extended to 25 October 2019 and then again to 25 March 2020. The first extension was recorded as an extinguishment of the previous convertible notes and recognition of new convertible notes. A $4,266 loss on extinguishment of financial liability was recognised at first extension in the June 2019 financial year in the Consolidated Statement of Profit or Loss and Other Comprehensive income (refer note 14 Prior period adjustment). The second extension was not considered an extinguishment of previous convertible note but a modification of the convertible note. A gain of $10,464 was recognised in the June 2019 financial year in the Consolidated Statement of Profit or Loss or other Comprehensive Income as at the date of modification.

The convertible note was redeemed for equity in the Company on 29 August 2019 at $0.015 per share. The convertible notes are presented in the statement of financial position as follows:

	31-Dec-19	30-June-19
	$	$
Face value of notes issued	750,000	750,000
Transaction Costs	(65,164)	(65,164)
Net proceeds	684,836	684,836
Amount classified as equity (net of transaction costs)	(27,511)	(27,511)
Other equity instruments – issue of options recognised as a cost of the transaction	(229,436)	(229,436)
Unwind of interest	442,276*	438,375*
Gain on extinguishment of financial liability	(10,464)	(10,464)
Loss on extinguishment of financial liability	4,226	4,226
Conversion to equity (including interest)	(885,000)	-
Loss on conversion of convertible note to equity	(21,073)	-
Liability at end of period	-	860,026

* Interest expense is calculated by applying the effective interest rate of 13% to the liability component. The initial fair value of the liability portion of the convertible note was determined using a market interest rate for an equivalent non-convertible note at the issue date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option and recognised in issued capital, net of income tax and not subsequently re-measured.

(i) *Loans payable – related parties*
Refer to note 8 Related party disclosure for details.

(ii) *Loans payable – third parties*
The principal is repayable in cash from the proceeds of capital raised under the Company's Prospectus lodged in November / December 2019. A 1% flat interest amount is payable on repayment.

6. ISSUED CAPITAL

	31-Dec-19 No.	31-Dec-19 $	30-June-19 No.	30-June-19 $
Fully paid ordinary shares	18,284,582	10,814,490	165,515,311	6,830,356

The movements in fully paid ordinary shares were as follows:	No	$
Balance as at 1 July 2018	**165,515,311**	**6,830,356**
Balance as at 1 July 2019	165,515,311	6,830,356
Issue of 200,178,900 shares with a fair value of $0.02 per share in payment of trade creditors and convertible notes*	200,178,900	4,003,578
Capital raising costs	-	(19,444)
Consolidation of shares on a 20:1 basis (incl. rounding)**	(347,409,629)	-
Balance as at 31 December 2019	18,284,582	10,814,490

* On 20 August 2019 shareholders approved the issue of 200,178,900 shares (10,008,945 shares post-consolidation) in payment of $3,002,683 of trade creditors (including director fees outstanding as at 30 June 2019) and convertible notes. The number of shares to be issued was calculated on an agreed conversion price of $0.015. The fair value per share issued on 29 August 2019 has been calculated at $0.40 per share (post share consolidation) based on a quoted market price, totalling $4,003,578. As a result of the difference between the conversion price and the fair value of the issue price, an equity conversion cost of $1,013,939 (including fees of $13,044) has arisen and has been recognised in profit in loss.

Earnings per share (basic and diluted) disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income are based on a weighted average number of shares on issue of 15,112,476 (31 December 2018: 165,515,311) ordinary shares. On 24 December 2019 the Company consolidated its shares on a 20 shares to 1 share basis, reducing the number of shares on issue as at 24 December 2019 from 365,694,221 shares (pre-consolidation) to 18,284,582 shares on issue. The result for the half year ended 31 December 2018 has been recalculated after amending the number of shares, at that time, for the consolidation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

** At a General Meeting of the Company held on 13 December 2019, shareholders approved the consolidation of the Company's issued capital by consolidating every 20 existing shares into 1 new share (**Consolidation**). This resulted in the number of securities on issue reducing from 365,694,211 to 18,284,582 (taking into account rounding). The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward and enable the Company to satisfy listing requirements. The Consolidation took effect from 27 December 2019.

7. SHARE BASED PAYMENTS RESERVE

	31-Dec-19 $	30-June-19 $
(a) Recognised share based payment expenses		
Balance at beginning of the period	504,260	504,260
Balance at end of the period	504,260	504,260

(b) Options issued as Share Based Payments

Options issued under share based payment arrangements entered into, or existing during the periods ended 31 December 2019 and 30 June 2019 are set out below:

	December 2019		June 2019	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the period	15,750,000	$0.08	26,950,000	$0.08
Granted during the period	-	-	-	-
Expired during the period	(5,000,000)	$0.15	(11,200,000)	$0.11
Exercised during the period	-	-	-	-
Cancelled/forfeited during the period	-	-	-	-
Consolidation on a 20:1 basis*	(10,212,500)	-	-	-
Closing balance	537,500	$1.00**	15,750,000	$0.08
Outstanding at the end of the period	537,500	$1.00	15,750,000	$0.08

* At a General Meeting of the Company held on 13 December 2019, shareholders approved the consolidation of the Company's issued capital by consolidating every 20 existing shares into 1 new share (**Consolidation**). The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward and enable the Company to satisfy listing requirements. The Consolidation took effect from 27 December 2019.

** One class of option exists as at 31 December 2019: 537,500 options with an exercise price of $1.00 and expiry date of 22 February 2023.

8. RELATED PARTY DISCLOSURE

During the half year ended 31 December 2019, there were no formal agreements in place with Directors. Furthermore, commencing 1 July 2019, the Directors agreed with the Group not to receive any further director fees by way of remuneration for services provided. Alvin Tan will recommence receiving director fees upon signing a new agreement after the acquisition of Takmur (Mr Martino and Mr Goldberg resign on acquisition of Takmur). During the period to 31 December 2019, Directors converted all outstanding director fees (with the exception of some GST) as at 30 June 2019 to shares at a price of $0.015 per share.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

During the half year ended 31 December 2019, Mr Martino received shares for director fees outstanding as at 30 June 2019 at a price of $0.015 per share and was paid director fees totalling $nil (31 December 2018: $nil). The amount payable to Mr Martino as at 31 December 2019 totalled $nil (30 June 2019: $461,200).

During the half year ended 31 December 2019, Mr Goldberg received shares for director fees outstanding as at 30 June 2019 at a price of $0.015 per share and was paid director fees totalling $nil (31 December 2018: $nil). The amount payable to Mr Goldberg as at 31 December 2019 totalled $nil (30 June 2019: $141,345).

During the half year ended 31 December 2019, Mr Tan received shares for director fees outstanding as at 30 June 2019 at a price of $0.015 per share and was paid director fees totalling $nil (31 December 2018: $nil). The amount payable to Mr Tan as at 31 December 2019 totalled $23,880 (30 June 2019: $245,880).

Transaction Services Pty Ltd provides office rental and office supplies. During the half year ended 31 December 2019, outstanding payments owing to Transaction Services Pty Ltd to 30 June 2019 were converted to shares at $0.015 per share. In addition, the office lease agreement was terminated as at 31 November 2019, with the bond of $50,000 used to pay the five months' rental owing to that date. Transaction Services Pty Ltd has been paid $50,000 (including GST) for the half year to 31 December 2019 (31 December 2018: $nil). The amount payable as at 31 December 2019 totalled $nil (30 June 2019: $326,596).

Indian Ocean Corporate Pty Ltd is a related party of Mr Martino, providing company secretarial, accounting and administration services to the Group. During the half year ended 31 December 2019, outstanding payments owing to Indian Ocean Corporate Pty Ltd to 30 June 2019 were converted to shares at $0.015 per share. Indian Ocean Corporate Pty Ltd has been paid $nil (excluding GST) for the half year to 31 December 2019 (31 Dec 2018: $nil). The amount payable to Indian Ocean Corporate Pty Ltd as at 31 December 2019 totalled $55,000 (30 June 2019: $253,000).

Fanucci Pty Ltd, a related party of Mr. Martino, provided a loan to the Group. As at 31 December 2019, the balance is $76,314 (30 June 2019: $52,938). The loan is interest free and repayable on demand. No security has been provided in respect of the loan.

9. INITIAL APPLICATION AASB 16: LEASES

During September 2016 the Company entered into a licence agreement with Transaction Services Pty Ltd, a related party of Domenic Martino, whereby the Company would occupy its premise for five years to 31 August 2021 at a cost of $11,000 per month (excl GST), increasing at a rate of 4%p.a. As at 30 June 2019, the total commitment outstanding was $326,698. The agreement was terminated in November 2019.

The Group has assessed the lease as at 1 July 2019 and concluded that it does not fall within the scope of AASB 16 as the Group does not have the right to control the underlying asset to which the lease relates. Lease payments made in relation to the leases have therefore continued to be recognised as an expense on a straight-line basis over the lease term.

Reconciliation between AASB 16 right-of-use asset and lease commitments as at 30 June 2019

	$
Operating lease commitments disclosed as at 30 June 2019	326,698
Less: payments not within the scope of AASB 16	(326,698)
Carrying amount of right of use and lease liabilities recognised as at 1 July 2019	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

10. DIVIDENDS PAID

No dividends were paid or provided during the half year ended 31 December 2019.

11. EVENTS AFTER THE BALANCE SHEET DATE

Since balance date the Company has:

- On 24 January 2020, the Company completed a successful capital raise of AU$14 million, with 35,000,000 shares issued at AU$0.40 per share;
- On 31 January 2020, the Company completed acquisition of Takmur via a reverse takeover. Essentially the business of Takmur and its controlled entities is the main undertaking of the Group going forward. As part of the acquisition of Takmur, the Company issued 210,274,171 shares to the vendors of Takmur;
- On 31 January 2020, the Company completed the divestment of the Papua New Guinea assets through the sale of Indo Pacific Energy Pty Ltd, South Pacific Resources Ltd (PNG) and Pacific Shale Gas Limited;
- On completion of the acquisition of Takmur the Company change its name to "Pyx Resources Limited";
- Mr Domenic Martino and Mr Joseph (Yosse) Goldberg resigned subsequent to balance date and were replaced by three new Board members; Mr Oliver Hasler, Mr Gary J Artmont and Mr Bakhos Georges. Mr Alvin Tan remains as a Director following the acquisition of Takmur;
- The Company issued 17,675,376 performance rights to Mr Oliver Hasler post half year end. These performance rights can be converted into a maximum of 21,110,195 shares on the achievement of various milestones at various dates between 31 March 2020 to 31 December 2022.
- The Company de-listed from the ASX on 11 February 2020 and listed on the NSX on 25 February 2020.

Subsequent to 31 December 2019, the Company has also engaged the services of the Directors who assumed their positions on the acquisition of Takmur. Details are as follows:

Engagement of Executive Director

The Company and Mr Hasler have entered into an engagement letter to appoint Mr Hasler as a director and Chairman of the Group subject to completion of the acquisition of Takmur. The letter of appointment is in standard form and details his appointment, duties and terms and condition of engagement.

Through a management services agreement with Phoenician Management Services Limited, from completion of the acquisition of Takmur, Mr Hasler will devote all his reasonable time and attention to fulfill the role of Chief Executive Officer of the Company, PTIM, Takmur, PT AUM and any holding company or subsidiary of PTIM. Mr Hasler's base annual salary will be in the amounts below.

No.	Year	Base Annual Salary (in US$)
1	2019	375,000
2	2020	550,000
3	2021	650,000

Mr Hasler will also be entitled to performance bonuses in accordance with the Incentive Plan and has received the Performance Rights as mentioned above.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Appointment shall cease if Mr Hasler:
- is terminated in accordance with the terms of his employment arrangements;
- resigns; or
- ends their term otherwise in accordance with the Constitution.

There are no significant termination payments that the Group may become liable for in the event of any termination.

Non-Executive Directors' Letters of Appointment

The Company has entered into letters of appointment with each of the Directors in respect of each of their appointments as non-executive directors of the Company after completion of the acquisition of Takmur. The letters of appointment are each in standard form and detail each of the proposed non-executive director's appointment, duties and remuneration entitlements.

Appointment shall cease if a non-executive director:
- is not re-elected as a director by the shareholders of the Company at any meeting;
- resigns; or
- ends their term otherwise in accordance with the Constitution.

Non-executive directors will be entitled to a base fee of $40,000 per annum. Fees may be adjusted at any time by the Board and will be paid at the conclusion of each quarter in arrears.

Directors are also entitled to be reimbursed reasonable expenses incurred in performing their duties, including the cost of attending Board meetings, travel, accommodation and entertainment where agreed to by the Board.

12. COMMITMENTS AND CONTINGENCIES

The Group's commitments in respect of its oil and gas licences as at 31 December 2019 were as follows:

PPL	Date Granted	Commitments	
		To November 2014	To November 2016
366	29 November 2010	USD 1 million	USD 15 million
367	29 November 2010	USD 1 million	USD 15 million
356	29 November 2010	USD 1 million	USD 15 million
357	29 November 2010	USD 1 million	USD 15 million
358	21 November 2010	USD 1 million	USD 25 million

Applications for variations to the licences were lodged in July 2014 and again in March 2016 for CSP (PNG) to reduce its commitments to USD 150,000 for each licence except PPL 358 for which a reduction to USD 200,000 was requested. The Group has received correspondence from the Papua New Guinean Department of Petroleum and Energy confirming the Group's ownership of the licences and receipt of conditional surrender and re-issue of licences documentation. The Group awaits further correspondence from the Papua New Guinean Department of Petroleum and Energy in respect of documents lodged. The potential commitments on the re-issued licences (if granted) are as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

PPL	Potential Commitments
	24 months
366	USD 150,000
367	USD 150,000
356	USD 150,000
357	USD 150,000
358	USD 200,000

In accordance with Section 137(2) and 137(2A) of the Oil and Gas Act, once the variations to the licences are processed and the licences re-issued the future minimum expenditure commitments will re-commence based on the requirements set out in the new licences.

An impairment provision has previously been raised in the Group's financial statements in relation to all of the exploration expenditure incurred on the licences held by CSP (PNG) in accordance with Australian Accounting Standard requirements. The Group will review its exploration results and may, in the future, choose to relinquish all or part of one or more PPLs and focus its efforts and funds on the other PPLs.

The Group is also still waiting on the Papua New Guinean Department of Petroleum and Energy to issue the unconventional hydrocarbon prospecting licences that were applied for previously.

On acquisition of Takmur, the Group assumes the following commitments:

- On 3 January 2019 PTIM entered into a machinery lease contract with PT CFM Minerals Indonesia (CFM) for the lease of machinery and equipment for use on the Mandiri Tenement. The term of the lease commenced on 3 January 2019 and will end on 3 January 2022. A sum of IDR 180,000,000 per year is due to CFM from PTIM for leasing the equipment and machinery. Key items of machinery leased by PTIM under this contract include a forklift, generator set, 2 overhung pumps, shaking table and magnetic separators. The lease agreement also provides that PTIM must sell to CFM each month during the term of the lease up to 200 metric tons of Zircon sand of 65,5% of minimum ZrO_2 content (Sale Commitment), provided CFM has made a payment for the required working capital in advance. The sale price of this zircon sold by PTIM to CFM will be 6.5% less than the open market benchmark price. At its sole discretion, CFM may increase the quantity of the zircon sold by PTIM to it by up to 500 metric tons.
- The Group has no additional leasing arrangements, other than a few motor vehicle leases under normal operating terms.
- PTIM has entered into 11 mining contractor cooperation agreements with contracted miners (mining contractors) to unearth heavy mineral concentrate containing zircon. Pursuant to the agreements, PTIM, acting pursuant to IUP 16/DPE/IW/2010, will purchase the zircon mined and produced by the mining contractor from PTIM in Desa Tumbang Empas, Kecamatan Mihing Raya, Kabupaten Gunung Mas. The agreements are to last for a term of 5 years before automatically ending in 2023 unless extended. The quality of the zircon produced by the mining contractors must be 35% zircon, the price paid is to cover extraction cost and will be calculated according to the domestic market price determined at PTIM's zircon warehouse in Desa Tumbang Empas. PTIM may reject the mined zircon if it fails to meet the agreed quality requirements. PTIM must pay the mining contractor royalties for the zircon prior to transporting the minerals.
- Engagement of Executive Director as detailed under note 11.

There are nil contingent liabilities for the Group as at 31 December 2019 (30 June 2019: $nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

13. DISCONTINUED OPERATIONS

On 31 January 2020, the Company completed the divestment of the Papua New Guinea assets through the sale of Indo Pacific Energy Pty Ltd, South Pacific Resources Ltd (PNG) and Pacific Shale Gas Limited. The loss relating to the Papua New Guinea assets recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2019 was $15,916 (2018: $28,930). The carrying value of net assets prior to elimination of intercompany loans upon consolidation as at 31 December 2019 was $6,269,658 (30 June 2019: $6,248,532).

14. PRIOR PERIOD ADJUSTMENT - COMPARATIVES

In the preparation of the 30 June 2019 financial report, it was noted in the measurement of the convertible note first modification that the transaction costs relating to the original terms has been amortised over the extended two year term, instead of over the original term. In addition, an adjustment has been made to the model to use a compound interest methodology to calculate the effective interest rate. Together this had the following impact on the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2018. There is no impact on the reported results for the year ended 30 June 2019 as the adjustments below had been appropriately reflected in the Group's 2019 annual report.

Financial report line item / balance affected	**Actual 31 Dec 2018 $**	**Adjustment $**	**Restated Actual 31 Dec 2018 $**
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Total income [(i)]	177,277	(154,765)	22,512
Interest on convertible note	(174,436)	34,650	(139,786)
Loss for the half-year	(468,372)	(120,115)	(588,487)
Total comprehensive loss	(472,123)	(120,115)	(592,238)

[(i)] **Disaggregated total income**

	Actual 31 Dec 2018 $	**Adjustment $**	**Rested Actual 31 Dec 2018 $**
Loss on extension of note term	(4,226)	-	(4,226)
Gain on adjustment to compound interest	181,503	154,765	26,738
Gain on extinguishment on convertible note	177,277	154,765	22,512

Financial report line item / balance affected	**Actual 31 Dec 2018 $**	**Adjustment $**	**Restated Actual 31 Dec 2018 $**
Consolidated Statement of Changes in Equity			
Accumulated losses	(10,284,887)	(120,115)	(10,405,002)
Total attributable to members	(2,854,012)	(120,115)	(2,974,127)

PITCHER PARTNERS

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF PYX RESOURCES LIMITED (FORMERLY SOUTH PACIFIC RESOURCES LIMITED) AND ITS CONTROLLED ENTITIES

In relation to the independent review for the half-year ended 31 December 2019, 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 (formerly South Pacific Resources Limited) and the entities it controlled during the period.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

JOANNE PALMER
Executive Director
13 March 2020

PYX RESOURCES LIMITED (FORMERLY SOUTH PACIFIC RESOURCES LIMITED)

ABN 30 073 099 171

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF PYX RESOURCES LIMITED (FORMERLY SOUTH PACIFIC RESOURCES LIMITED)

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of PYX Resources Limited (formerly South Pacific Resources Limited) (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PYX RESOURCES LIMITED (FORMERLY SOUTH PACIFIC RESOURCES LIMITED)

ABN 30 073 099 171

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PYX RESOURCES LIMITED (FORMERLY SOUTH PACIFIC RESOURCES LIMITED)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

JOANNE PALMER
Executive Director
13 March 2020