

2023 Full Year Results

PYX Resources Ltd (PYX or the Company) (NSX: PYX | LSE: PYX), the world's third largest publicly listed zircon producer by zircon resources,¹ is pleased to announce its Full Year Results for the year ended 31 December 2023 ("FY2023").

FY2023 HIGHLIGHTS

- 24% Year on Year ("YoY") increase in total sales volume to 11,350 Tonnes
- Strong revenue recorded of US\$22,672k – constant YoY
- 61% YoY increase in underlying EBITDA to US\$676k
- 8% YoY increase in Net Cash Position to US\$7,829k
- 22% YoY increase in Premium Zircon Inventory to 17 days
- 22% YoY decrease in total personnel to 95
- 28% & 47% YoY increase in female and indigenous (Dayak) employment respectively
- ZERO total recordable injury frequency rate
- Signed UN Global Compact Annual Communication on Progress in March 2023
- Post period, the Company announced that it will start shipping ilmenite following the award of a revised exporting licence

FINANCIAL AND OPERATIONS SUMMARY

US\$	FY 2023	FY 2022	% change
Sales revenue	22,671,641	22,703,190	0%
Cash cost of production	(19,601,174)	(17,293,633)	13%
EBITDA	(10,039,681)	(9,254,205)	8%
EBIT	(10,400,680)	(9,496,707)	10%
Net loss before tax	(10,456,195)	(9,524,646)	10%
Net loss after tax (NLAT)	(10,456,356)	(9,433,600)	11%
Underlying EBITDA	676,301	419,289	61%
Cash	7,828,906	7,221,085	8%
Total assets	93,100,662	89,124,565	4%
Total liabilities	8,977,573	5,570,118	61%

¹ According to publicly available information during the financial year ended June 2023

	FY2023	FY2022	% change
Zircon Produced	11.8kt	9.1kt	31%
Zircon Sales	11.4kt	9.1kt	24%
Titanium Dioxide Minerals Produced	2.9kt	7.5kt	(61%)
Titanium Dioxide Minerals Sold	-	0.3kt	
Value Per Tonne Zircon (USD/t)	1,998	\$2,457	(19%)
Total Produced	14.8kt	16.6kt	(11%)
Total Sold	11.4kt	9.5kt	20%

FY2023 OVERVIEW

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.

In FY2023 the company achieved revenue of US\$22.7 million, while achieving a positive underlying EBITDA, increased net cash at the year end to US\$7.8m and remaining debt free. All of this has been achieved despite an average price decrease of PYX's premium zircon of 19%.

Operationally, PYX produced 14.8kt of minerals sands (zircon, rutile and ilmenite) in total during the year, of which 11.8kt were premium zircon, representing a 31% year-on-year (YoY) increase in premium zircon production. YoY sales of premium zircon also grew by 24% to 11.4kt (2022: 9.5kt). No sales of titanium stockfeed were made while the Company awaited the modification of its rutile and ilmenite export licences which are required after changes in regulation made by the Industrial and Trade Department for Export Tax Billing in December 2023. On 12th March 2024, post period, the Company announced that it had received the modified licence to export ilmenite and that it can now start delivering on orders placed prior to the modification of the licence. During the period, the Company also strengthened its finished goods inventories to 10.9kt (2022: 7.3kt) mainly as a result of the increase of rutile and ilmenite production. Alongside this, premium zircon inventories increased to 533t (17 days) from 438t at the end of 2022.

During the year, the Company's premium zircon market has been driven by Asia's demand, with little demand from Europe as a 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 its high quality and scarcity. 2023 was no exception, with the Company maintaining a low premium zircon inventory at the year end.

International premium zircon prices remained unchanged for the first half of 2023 despite weak international market conditions but declined during the last five months of the year with average prices for 2023 ending 19% lower than in 2022.

Nonetheless, despite a soft global economy, the Company ended the year with US\$7.8 million of cash on its balance sheet and no debt.

2023 was a significant year for PYX's Mandiri and Tisma mining licences. 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 SiO₂.

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 TiO₂ ≥ 45% for ilmenite and TiO₂ ≥ 90% for rutile. On 17 August 2023 the Company announced the award of the export licence for rutile and ilmenite however exports were put on hold following changes in regulation made by the Industrial and Trade Department for Export Tax Billing in December 2023, which required the use of two types of Ports, a Loading and Export port. The Company has now received the modified licence to export ilmenite from the Investment and One-Integrated Services Department (Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu/ DPMPTSP) (See 12th March 2024 announcement). PYX started producing rutile in January 2022 and ilmenite in June 2022, and by the end of December 2023 it had stockpiled 9.8kt.

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 year were US\$22,671,641 and remained constant compared to 2022. This was driven by a 24% growth in premium zircon sales volumes offset by an average sales price reduction of 19%. During 2023, PYX achieved an average premium zircon price of US\$1,998 per tonne compared to our estimate for other Indonesian suppliers of US\$1,750 per tonne.

Zircon prices in the near future will depend on the performance of the world economy and the output of mining companies. PYX remains very positive on the need of increased zircon supply and, with the amended rutile and ilmenite export licence, the Company expects to increase sales during 2024. This will be achieved through both an increase of production volume and the sales of the 9.8kt rutile and ilmenite the Company has in inventory at the end of 2023.

PYX's existing customer base consists of global blue-chip organisations operating in various industries, sectors, and geographies. Through the strategy of market diversification, PYX has been able to mitigate the steep reduction in demand from the western economies. As a result, during 2023 most of PYX's sales focused on India and China, with sales to India increasing 126%. During the period, PYX grew its customer base by 23% with zircon utilisers around the world 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.

The Annual Report and Financial Statements for the year ended 31 December 2023 has been published today and is available for inspection at <https://pyxresources.com/investors-reports>.

2023 Full Year Results Conference Call

The Company will host a live investor presentation relating to the Company's 2023 Annual Results at 12:00pm GMT / 20:00pm AWST / 23:00pm AEDT on Tuesday 19 March 2024, via the Investor Meet Company platform.

The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9:00am GMT / 17:00 AWST / 20:00 AEDT on Monday 18 March 2024 or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet PYX RESOURCES LIMITED via: <https://www.investormeetcompany.com/pyx-resources-limited/register-investor>.

Annual General Meeting

The Company's Annual General Meeting (AGM) will be held virtually on or around Thursday, 16 May 2024. Details of all resolutions to be considered at the AGM will be contained in a Notice of AGM and Explanatory Notes which will be dispatched to shareholders prior to the meeting in accordance with the relevant legal requirements.

CHAIRMAN'S STATEMENT

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 and 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.

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 SiO₂. 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

15 March 2024

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.

***** 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 3rd 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.