



**ZincOx Resources plc**  
(“ZincOx” or the “Company”)

**Debt Restructuring for Korean Recycling Plant**

ZincOx is pleased to announce that it has reached agreement with Korea Zinc Company Limited (“Korea Zinc”) concerning a significant restructuring of the Korea Recycling Plant’s (“KRP”) short dated debt. ZincOx owns 100% of the KRP which is one of the world’s largest Electric Arc Furnace Dust (“EAFD”) treatment facilities. KRP has a nominal annual capacity of 200,000 tonnes of EAFD for the production of about 75,000 tonnes of high quality zinc concentrate.

KRP has been developed with the support of two loans from Korea Zinc:

1. Offtake Loan – a long term loan of \$37.8 million bearing interest at 5% over LIBOR and repayable from 50% of free cashflow with any balance being repayable in 2022.
2. Development Loan – a short term loan of \$15.0 million bearing interest at 15% and repayable as a single bullet in February 2016. As part of these debt facilities, ZincOx agreed to sell all of its zinc concentrate, at market prices, to Korea Zinc for ten years.

The Company has today agreed with Korea Zinc on a restructuring of the Development Loan. The Offtake Loan terms remain unaltered. The Development Loan terms will now be as follows:

- I. Accrued interest of \$3.9 million will be added to the principal amount of the Development Loan,
- II. The interest rate will be reduced from 15% to 9.5%, and
- III. The repayment of the new principal outstanding amount of the Development Loan, \$18.9 million, will be spread over six equal payments of approximately \$3.1 million to be made every six months commencing in February 2016.

In consideration of this restructuring, ZincOx has agreed to increase the zinc concentrate offtake contract to 1,050,000 tonnes, from 840,000 tonnes, of which, to date, about 100,000 tonnes have been delivered and which, based on nominal capacity, should be fulfilled in 2027.

Following this restructuring, the total debt outstanding to Korea Zinc will amount to \$56.7 million with a weighted average interest rate of 6.2%, based on current LIBOR. This reduces our interest bill by \$0.5 million per annum.

Commenting on the announcement, ZincOx's Chief Executive Officer, Andrew Woollett, said, "This restructuring increases our cash headroom over the next couple of years and gives us an overall interest rate considerably lower than alternative commercial sources".

**For more information please contact:**

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