15 April 2015

ZincOx Resources plc
("ZincOx" or the "Company")

Final Results for the year ended 31 December 2014

ZincOx Resources plc (AIM:ZOX), developer of the Korean Recycling Plant (KRP), one of the largest electric arc furnace dust recycling facilities in the world, today announces its results for the year ended 31 December 2014.

Highlights

2014

- Revenues of US$38.2m, an increase of 39% year on year
- Production of 28,564 tonnes of zinc in concentrate in 2014
- Consistently high quality zinc concentrate (> 64%)
- Solution to heat exchanger corrosion implemented in August 2014

Post Year End

- 90 days uninterrupted operation at KRP
- January 2015 a record month: 3,786 tonnes of zinc in concentrate produced
- Improving quarterly performance, Q1 2015 showing record: throughput, recovery and zinc concentrate production
- Korean debt restructured, weighted average interest rate reduced to 6.2%, interest reduced by US$0.5m per annum
- Recovery and throughput at KRP close to target levels

Commenting on the announcement Dr Rod Beddows, ZincOx's Chairman said:

"*The improvements made at our Korean Recycling Plant in August last year have significantly enhanced performance so that it is now generating positive* EBITDA[1] *and we are looking forward to finishing the ramp-up to full production later this year*"

[1] KRP earnings before interest, tax, depreciation and amortisation (adjusted to exclude foreign exchange gains and losses)

For further information, please contact:

ZincOx Resources plc Andrew Woollett, Chief Executive	Tel: +44 (0) 127 645 0100
Peel Hunt LLP (Nominated Adviser and Joint Broker) Daniel Harris / Euan Brown	Tel: +44 (0) 207 418 8900
finnCap Limited (Joint Broker) Charlotte Stranner / Christopher Raggett	Tel: +44 (0) 207 220 0500
Tavistock Communications (Financial PR) Simon Hudson / Nuala Gallagher	Tel: +44 (0) 207 920 3150

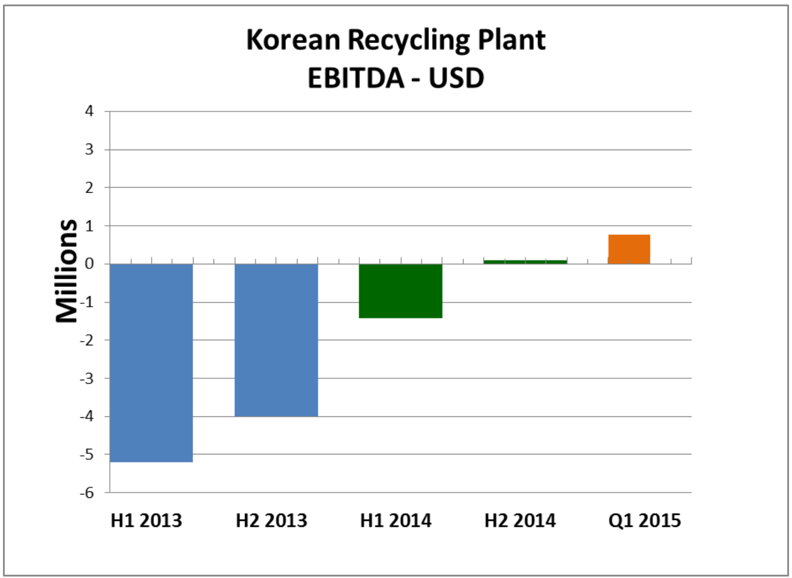
For further information please go to: www.zincox.com

Chairman's Statement

2014 was a year which saw a transformation in the reliability and performance of our Korean operation (KRP) and I am pleased to report that these improvements continued through to the first quarter of 2015. This has been a record quarter in terms of throughput of electric arc furnace dust (EAFD) processed while still maintaining a high level of recovery so that a record zinc production was achieved.

Revenue for the Group was US$38.2 million for the year, an increase of 39% compared to 2013. The increased revenue resulted from the improved performance of KRP that was mainly due to the success of modifications made to the heat exchangers which had previously caused several unscheduled stoppages.

KRP showed an improving EBITDA trend through the year, so that in the first half there was a loss of US$1.4 million and for the second half it was slightly positive. The EBITDA loss for the year was US$1.3 million compared to an EBITDA loss for 2013 of US$9.2 million, an improvement of US$7.9 million for the year. The first quarter of 2015 showed continuing improvement and an EBITDA profit of US$0.8 million.



The graph shows the Korean Recycling Plant half yearly EBITDA for 2013 and 2014, and for the first quarter of 2015

Since the major modification to the heat exchangers in August, all but two of the months at KRP have had a positive EBITDA and, as we foresee no closures or supply reductions for the next three months, we expect the next quarter to be significantly more positive than the first quarter of this year. KRP is generating positive monthly operating cash flow which will increase as a result of ongoing improvements to throughput and recovery. Since most of the operation's costs are fixed, the final ramp up to full daily throughput has a disproportionately positive impact on profitability, so that, at today's zinc price (US$2,150 per tonne) and assuming target zinc grade of EAFD, in a full operating month the plant should generate well over US$1 million of EBITDA per month.

The Company is now in a position where the technology has been sufficiently demonstrated to be able to plan the development of the next plant. The profitability of the next plant will, however, be greatly enhanced by the upgrading of both the zinc and iron intermediate products made by the rotary hearth furnace (RHF) into high value final products. We refer to this concept as the "Full Cycle" approach and in order to accelerate the development of new projects we are considering the introduction of a strategic partner.

Our increasing focus on Asia combined with full EAFD recycling capacity in the USA have led us to record an impairment of the investment of the Big River Zinc Smelter and other USA related assets. This one off charge has added US$13.7 million to our reported losses, which would otherwise have been US$19.5 million a reduction of US$6.3 million compared to 2013. Given that the operation now has good reliability and positive operating cash flow, the results of 2014 do not reflect the current position at KRP or its prospects for 2015 and shareholders should be reassured by the recent operational successes so that we can look forward to very much more positive financial results for the current year.

In order to make the critical modifications to the heat exchangers, necessary to improve plant reliability and provide working capital while the modifications were being made, a placing of new shares and a rights issue was undertaken in April 2014. This fundraising, which was well supported by existing shareholders, raised £2.9 million.

Globally, the outlook for zinc continues to be positive, supported by strong demand, falling production and insufficient new discoveries or mine developments. In a survey of analysts at the end of the year there was broad consensus that the zinc price will average over US$2,300 for 2015, rising to US$2,500 and US$2,600 during 2016 and 2017 respectively.

I should like to record my thanks to Guy Lafferty and Jacques Dewalens who are stepping down from the Board. Guy has represented Höegh Capital Partners on the Board for the past six years and his contribution during the critical development period has been much appreciated. I am delighted that Jacques Dewalens will continue to work for the Company as a consultant and, by being relieved of his Board duties, he will have more time available to dedicate to the optimization of KRP and the management of our Research and Development activities.

At the beginning of 2014 we faced many challenges; these have been overcome and the Company is now in its strongest position for many years, with KRP generating positive EBITDA and demonstrating a breakthrough technology that can solve one of the world's greatest hazardous waste challenges. I would like to thank the shareholders for their loyal support and management for persevering with the ramp up at KRP and so placing the Company in the position that it can now realise the full potential presented by the "Full Cycle" approach.

Dr Rod Beddows
Chairman
15 April 2015

Chief Executive's Review

The performance improvements made in the latter part of 2014 at KRP have begun the transformation of the Group. These improvements have been the result of better combustion in the furnace and the implementation of changes to the heat exchangers which have protected them from corrosion, and so avoid unscheduled repairs. In the first half of 2014, however, these repairs severely restricted production and it was not until the major remediation in August that the reliability improved.

The plant is currently operating at about 90% of targeted weekly performance and this is expected to increase to 100% within the next six months as the plant undergoes final debottlenecking and optimisation.

The changes to the heat exchangers made during 2014 provide a permanent solution, but one which will still require maintenance every three to four months that, in turn, will reduce annual capacity by about 10%. In order to avoid this reduction and the cost of their maintenance, an alternative to the heat exchangers is being engineered. This alternative will have the added benefit of reduced energy costs, as cheaper coal can replace a high proportion of the natural gas we are currently using, which constitutes the single greatest cost in the operation because it is very expensive in Korea. Taken as a whole, the removal of the heat exchangers could increase EBITDA by over US$6 million per annum (zinc price US$2,250/t).

Korea Zinc has recently agreed to restructure the Development Loan. Under this restructuring, outstanding interest has been rolled into the Development Loan, the repayment of which, has now been spread over two and a half years starting in February 2016. Furthermore, the interest rate on the loan has been reduced from 15% to 9.5%. Consequently KRP's weighted interest rate, including the long term Offtake Loan, is today only about 6.2%. In consideration of this restructuring, the offtake agreement for zinc concentrate is being extended to a total of 1,050,000 tonnes.

In December, certain quite subtle changes to the furnace operating conditions had a very positive impact on our capacity and daily throughput substantially increased. This led to improved operational performance and in addition, the EAFD stockpiled in the mega-silo was drawn down very much more rapidly than foreseen. This, together with mill suspensions during the lunar new year holiday period, resulted in a shortfall of EAFD in February and March this year. EAFD deliveries continued through the March maintenance period and these have re-stocked the mega-silo. Draw-down from the mega-silo will enable the plant to operate at full throughput into June, by which time, additional EAFD should be delivered under new supply contracts currently under negotiation. The EAFD that is being considered under the new contracts has a grade above the plant's average target feed grade and so deliveries under these new contracts should help to increase the average zinc grade of the feed to the plant.

While management has remained focused on the ramp up at KRP, there have been resources available to consider the next project and particularly the technology required to upgrade the products of the RHF. The process for upgrading the zinc concentrate has now been optimized using a new hydrometallurgical approach designed by the Company's technical team in Belgium. The product generated by this process has been tested by internationally recognized organizations which have confirmed its suitability for use in glazes and rubbers, the two largest markets for this important zinc chemical. These applications should double the value of the zinc that will be produced by new projects and so lead to a very significant increase in profitability. Since the zinc concentrate produced at KRP is already contracted for sale to Korea Zinc as part of the loan agreements, this upgrading will not be immediately possible in Korea. The RHF's iron product will be melted in a Submerged Arc Furnace ("SAF").

The new plants will incorporate a rotary hearth furnace and upgrading processes for both zinc and iron. This is referred as a "Full Cycle" plant as it represents the complete transformation of the feed to final products. The upgrading uses standard equipment and well known chemical processes and this year we plan to undertake piloting or commercial trials to evaluate the reagent and energy consumption and create samples for test marketing. Preliminary studies indicate a plant treating 100,000 tonnes of EAFD per annum should have an internal rate of return in excess of 25% (pre-tax, ungeared, at a zinc price of US$2,250/t).

At the higher zinc prices expected over the next few years, even the traditional EAFD processing technology employed by competitors can work profitably, albeit much less so than our Full Cycle approach. For this reason, there are competitors vying for EAFD in many countries across the world. In order not to lose out on the exceptional opportunity created by the Full Cycle approach we need to move fast to secure feed supply ahead of the competition.

Over the next year or so the cash flow from KRP is unlikely to contribute sufficiently to advance the development of the new projects. In order to progress these exciting new projects, a search for a strategic partner was initiated with HCF International and we continue to talk to interested parties that share our vision for the future and which could support our ambitious roll out plans.

2015 has started very positively with KRP running well and continuously so that ongoing improvements can be tested and implemented. We are now looking forward to being able to roll this breakthrough technology out to other parts of the world.

Andrew Woollett
Chief Executive
15 April 2015

Strategic Report

The directors of the Company and its subsidiary undertakings (which together comprise "the Group") present their Strategic Report, as approved by the whole Board, for the year ended 31 December 2014.

The Strategic Report is a statutory requirement under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is intended to provide fair and balanced information that enables the Directors to be satisfied that they have complied with s172 of the Companies Act 2006 which sets out the Directors' duty to promote the success of the Company.

Principal Activities

The principal activity of the Group is the production of high grade zinc concentrate by the recycling of electric arc furnace dust. The Company acts as a recycling, development and holding company. A detailed review of the business and future developments is included in the Chief Executive's Review and the Operational Review section of the Strategic Report.

Business Model

Scrap iron and steel is mostly recycled in electric arc furnaces (EAF) where the volatile constituents (Zn, Pb, Cl, Na etc) are driven off as fine particles and gasses. This electric arc furnace dust, EAFD, needs to be filtered from the flue gases. Steel is generally protected from corrosion by galvanising, a process whereby a thin coating of zinc is applied to the surface of the steel. This coating insulates the steel from reaction with air and so prevents corrosion. Steel scrap is, becoming increasingly galvanised and since zinc is a volatile element, it constitutes part of the EAFD. The zinc content of the EAFD is generally between 20% and 25%, and also contains 25% to 30% iron, both of which occur largely as oxides. In addition, the EAFD contains lead, cadmium and arsenic, all these toxic elements are to some extent soluble in water, which therefore makes EAFD a hazardous waste. EAFD is probably the world's largest inorganic hazardous waste problem.

The steel mills need to dispose of the EAFD either in landfill or to processors which recover the zinc. Process plants based on existing technology have never been developed unless a significant disposal fee has been paid by the steel mills.

The breakthrough technology used by ZincOx recovers the zinc using a rotary hearth furnace (RHF). The zinc forms a unique high quality zinc oxide concentrate (HZO), an iron intermediate product (ZHBI). This means that there will be no waste.

The ZHBI can be further processed into pig iron and a clean slag that can be used by the cement industry. It has recently been demonstrated that the exceptional quality of the HZO will enable it to be upgraded to a zinc oxide chemical. The upgrading would greatly enhance revenue and profitability. When developed with the rotary hearth furnace as an integrated operation, together with ZHBI upgrading the technology is referred to as the "Full Cycle" approach.

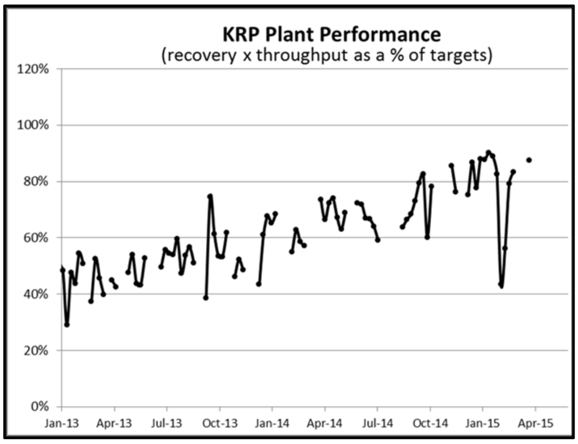
In 2012, ZincOx commenced production at its first EAFD recycling plant (KRP), in South Korea. Following the resolution of a number of teething problems, it is now operating close to full capacity.

ZincOx plans to roll out Full Cycle plants around the world. Preliminary work in a number of countries is well underway. The development of additional plants should enable ZincOx to realize its ambition of becoming one of the world's largest zinc recycling companies.

Operational Review

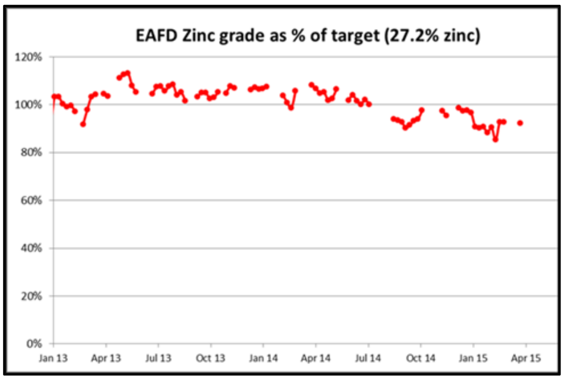
Korean Recycling Plant (KRP)

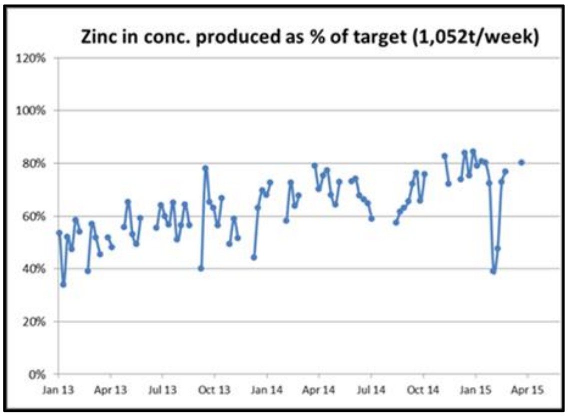
The Korean Recycling Plant, KRP is one of the world's largest EAFD recycling facilities, having a nominal capacity of 200,000 tpa EAFD for the production of about 70,000 tpa zinc concentrate (HZO) and 100,000 tpa of iron product (ZHBI). KRP has exclusive long term EAFD supply agreements with eight steel companies that have targeted output of 175,000 tpa. The plant commenced production in April 2012.



All the zinc concentrate (HZO) produced during 2014 has been high grade (64-68% zinc) and of exceptional quality, having less than 0.03% iron and with a very high washability of salts. All the production is sold to Korea Zinc under a long term offtake contract.

The ramp up to full production in the first half of 2014 was hampered by several stoppages, required to repair corrosion in the radiant heat exchangers. During this period, a special refractory was tested on parts of the walls of their inner tubes. These tests were successful and in August all four heat exchangers were lined with this material.





The graphs above show weekly production at the Korean Recycling Plant, excluding weeks when the plant was fully or partially closed.

Production continued uninterrupted until November when the plant was stopped to repair fallen refractory. Unfortunately the numerous stoppages for heat exchanger repairs over the previous two years will have weakened the refractory lining in the RHF and gas handling system.

Several areas of refractory were repaired in August but some new areas showed weakness in November and were entirely rebuilt, including the drop boxes. An inspection of the new refractory lining of the heat exchangers showed that, whilst generally good, some areas had degraded and both refractory and underlying metal needed to be replaced. This degradation was probably due to poor installation procedures which have now been reviewed and improved.

A small failure of refractory near the offtake of the furnace had to be repaired in December and special care was taken in its rebuild. It is now believed to be stable. The heat exchangers' lining was again inspected but only very small repairs were necessary and these too are believed to have resulted from the poor practices employed during the August remediation.

A new configuration of burners tested in December proved very effective and recovery and throughput increased while gas consumption dropped. Energy and other reagents are close to target consumptions, and whilst the unit cost of both gas and electricity are significantly above the levels anticipated before development, the cost of the coal has fallen.

The maintenance of the heat exchangers was planned for February 2015, but as there was no sign of degradation, the plant was not closed. Plant throughput was restricted due to a shortage of EAFD in March, and production was suspended so that the heat exchangers could be inspected. This showed very little damage to the steel inner tubes of the heat exchangers so that the linings had provided an efficient barrier to corrosive gasses. The special refractory lining was refurbished and other minor repairs undertaken so that the plant recommenced operation after 14 days on the 4th April.

The plant is ramping up to full capacity and is currently operating at about 93% of targeted throughput and 96% of targeted recovery so that the overall performance of the plant is at about 90% of target.

The refractory lining of the radiant heat exchangers has been shown to provide an effective barrier to corrosion, and so provides a practical solution to the problem. If it's assumed that the refractory lining will need some attention every three to four months, annual running time and annual throughput will be reduced by about 10% (180,000 tpa EAFD).

In order to avoid heat exchanger maintenance stoppages and attain the planned single three week closure per annum, a permanent solution to the heat exchangers has been designed. This involves the removal of the heat exchangers and the installation of a coal fired air heater that will provide pre-heated combustion air for use in the furnace. Since coal is a very much cheaper source of energy than gas in Korea, the new configuration will have a lower total energy cost. The savings in the cost of refractory repair and energy and the ability to operate at the full nominal throughput are estimated to create a combined benefit amounting to over US$6 million in EBITDA per annum

Efforts to sell the iron product have, to date, been unsuccessful and it has been sent mostly to landfill. Testing in some integrated steel works is expected to start shortly. In order to realize the value of the iron in the ZHBI, a scoping study for its melting in a submerged arc furnace (SAF) has been completed.

The steel industry in Korea and in other Asian countries has been severely affected by cheap Chinese exports. Towards the end of the year, the amount of EAFD generated by the contracted mills diminished by about 15% and the zinc grade of the EAFD also fell. The average zinc grade in the first half of the year was 5-10% greater than the target grade (27.2%). Since the major remediation in August, however, the grade has only averaged 25.6%. The shortfall in EAFD being experienced in 2015 should be balanced by new contracts commencing in the second quarter of the year, and discussions are underway with several potential suppliers of higher grade EAFD that should help to raise the average grade of the material being treated.

Technology

Zinc Concentrate (HZO) Upgrading

During 2014, testwork on KRP's zinc concentrate was undertaken to confirm the best way to upgrade it to an industrial zinc oxide and several processes were tested. The best process was designed by ZincOx's technical team and is called Consecutive Metal Leaching ("CML"). CML comprises a combination of existing technologies specifically configured to remove the halides, sulphates and deleterious base metals from the concentrate. The zinc oxide that remains after this treatment has a grade of about 99.7% zinc oxide, high enough to qualify for most industrial uses.

Laboratory scale CML testwork has provided samples of the zinc oxide. These samples have been used to make glazes for the ceramics industry and rubber samples, by laboratories that specialize in the technical qualification of raw materials. In both cases the zinc oxide produced by upgrading the HZO was shown to be equally effective as leading market brands.

Iron Product Upgrading

Representative ZHBI samples have been analysed and the results used to undertake sophisticated computer simulation of the submerged arc furnace (SAF) technology. The simulation was carried out by Mintek, an internationally recognised metallurgical engineering company. The computer modelling gives likely energy and reagent consumptions as well as iron, slag and fume compositions. This information has been used in the scoping study for the installation of a melter at KRP, which indicates that KRP's EBITDA could be increased by about US$10 million per annum (zinc price: US$2,250/t, scrap price: US$350/t). Melting trials are planned for 2015.

New Projects

The Full Cycle approach, combining the RHF, CML and SAF technologies has been modelled financially. At a zinc price of US$2,250 per tonne, new Full Cycle developments should have rates of return in excess of 25% (pre-tax, ungeared).

ZincOx has been actively researching potential sites for Full Cycle plants over the past eight years. Thailand is likely to be the next development but considerable work has been undertaken elsewhere so that a series of developments is envisaged.

Other

In the USA, the Group's Big River Zinc facility continues to provide services to third parties distributing sulphuric acid and diesel emission fluid. The possibility of using the facility to upgrade HZO generated by recycling activities would be feasible at Big River, but the cost of transporting feed material would be prohibitively expensive. The use of the facility for piloting the CML upgrading process has been investigated; it would, however, be more expensive than alternative piloting options available to the Company. Since the capacity of EAFD recycling facilities in North America is broadly in balance with the generation of EAFD, the Company considers the USA to be a low priority target.

In Turkey, the Company has carried out a review of the availability of EAFD taking into account generation and treatment facilities. New facilities, either under construction or being planned by steel mills, will result in surplus treatment capacity and ZincOx does not feel an additional treatment facility is warranted.

In Russia, the Company has a joint venture with the Magnezit group, for the investigation of an EAFD recycling plant to service steel mills in the former Soviet Union. The investigation, which is at early stage, is being led by the Magnezit Group.

Performance Review

Financial

Group Results Overview

The Group improved revenues by US$10.7millon (+39%) in the year which resulted in revenues of US$38.2 million (2013: US$27.5 million). This helped the Group make a reduced gross loss figure in the year of US$5.3 million (2013: US$12.8 million).

However, a one off impairment charge of US$14.0 million, included in administrative expenses, has been made in the year, relating mainly to Big River Zinc, a non-core asset in the USA.
When this one off charge is excluded the Group made an underlying EBITDA loss of US$6.0 million for the year to 31 December 2014 (2013: US$15.4 million). This significant improvement was largely due to the turnaround at KRP as the plant continued to show improved financial performance month on month, finishing the year with an EBITDA loss at KRP of US$1.3 million (2013: US$9.2 million).

The impairment charge is the key reason why the result for the year has worsened even though the Group's underlying EBITDA has improved by US$9.4million. The result for the year attributable to shareholders of the parent company was a loss of US$33.2 million (2013: US$26.3 million).

Key Performance Indicators

Building on the physical throughputs and performance of 2013, the Group sold 28,564 tonnes of zinc contained in concentrate in the year from KRP (2013: 24,577 tonnes). This was the plant's second full year in production and although the plant had various heat exchanger and refractory issues in the year, it has showed good improvements in key production metrics. These metrics ("KPIs") continue to be monitored as well as other key economic operating factors through regular management meetings.

KRP	2014	2013	% change
Zinc in Concentrate sold (tonnes)	28,564	24,577	16%
Average zinc price (US$/tonne)	2,164	1,910	13%
Zinc revenue billed (US$ millions)	37.5	27.1	38%
Underlying EBITDA (US$ millions)*	(1.3)	(9.2)	86%
EAFD processed (tonnes)	119,124	103,420	15%

**before any foreign exchange impact*

The directors monitor any hazards that are reported on operational sites and review any accidents and incidents as part of the ongoing environmental health and safety procedure. During the year, the total number of man hours worked across the Group was 182,000, with one lost time incident (2013: 208,000 hours and one lost time incident). The lost time incident in the year involved an operator at KRP who suffered an injury to his ring finger when an accumulation of HZO became detached and fell onto his right hand.

At the Group level, the directors continue to monitor the cash requirements of the business when compared to cash requirements especially to maintain development progress on the various projects until a steady state production is achieved in Korea. Then consideration is given to any financing opportunities which need to be pursued. As a result a strategic partner is being sought for new project developments.

Funding

The Group completed a fundraising of £2.9 million (equivalent to US$4.9 million) after expenses in April 2014. These funds were raised for further optimisation of the plant during the ramp up, and ongoing working capital requirements.

The initial development of KRP was funded through equity from the Group and two external loans from Korea Zinc. The Korea Zinc “Offtake Loan” for US$37.8 million and the Korea Zinc “Development Loan” for US$15 million.

Interest charges for the year, in relation to the Offtake Loan at USD 6 month LIBOR +5%, were US$2.1 million (2013: US$2.1 million) and in relation to the Development Loan at an interest rate of 15%,were US$2.4 million (2013: US$2.3 million).

In order to assist KRP with its ongoing working capital management, it was agreed with Korea Zinc that any interest payments due under both loan agreements could be deferred by twelve months in order to assist KRP with its ongoing working capital management during the first half of 2014.

As a result, although the total Group interest of US$5.3 million has been charged as an expense to the income statement in accordance with Group policy, the actual interest paid in 2014 by the Group was US$2.6 million against the two Korea Zinc loans and US$0.7 million (£420k) against the £4.2 million of secured loan notes.

In September 2014 the Korea Zinc Development Loan of US$15 million was renegotiated to delay the capital repayment by twelve months so that it now falls due in February 2016. In addition, further negotiations have subsequently taken place with Korea Zinc during March 2015 to amend the repayment schedule so that instead of a bullet repayment of US$15 million in February 2016, the repayments have been split over six equal payments of US$3.1 million, beginning in February 2016, which includes the deferred interest that Korea Zinc has previously agreed to roll up. In recognition of this, the offtake agreement with Korea Zinc has been increased to 1,050,000 tonnes during these renegotiations.

In Korea, the Group also makes use of a rolling “receivables purchase agreement” with Standard Chartered Bank Korea (“SCBK”), whereby it can receive funds in between the monthly receipts that are received from Korea Zinc.

Liquidity

The cash funds of the Group at 31 December 2014 were US$1.2 million (2013: US$4.8 million). These cash funds were held in a range of currencies at the year end, the most significant of which were US Dollars 0.7 million (2013: US$3.4 million), Korean Won 355 billion (2013: KRW 2 billion), and Pounds Sterling 0.1 million (2013: £0.7 million).

Going Concern

The directors consider various scenarios in reviewing the budgets and projections for 2015 and for a period of at least twelve months from the date of this report. These scenarios review the financial modelling of various throughput scenarios at KRP over the next twelve months including (but not limited to) sensitivity on the zinc price, recovery of zinc from EAFD, tonnes of zinc sold and key operating costs.

The zinc price assumption started with a review of the actual price over the last twelve months and predictions of analysts for the next 12-18 months. These predictions continue to be above today’s prices, due to a supply side deficit expected in the zinc market in the coming 12-24 months. In light of these parameters, the directors have made a price assumption that the zinc prices will rise to US$2,200 per tonne through the second half of 2015 up from today’s levels of US$2,150 per tonne. The ramp up profile is expected to achieve a throughput at target production by the last quarter of 2015. There are two further planned maintenance periods also assumed during the remainder of 2015. The zinc tonnes sold assume a rising zinc recovery up to target levels through the remainder of 2015. As throughput rises, so the operating cost metrics (i.e. measured in consumptions per tonne of EAFD), are expected to fall through the remainder of the year.

Because of the continued focus on the performance of the KRP plant in any going concern forecast, the directors entered into the recent agreement regarding the Development Loan with Korea Zinc to ensure that the project would have generated sufficient cash to repay the loan when it falls due. As a result, the capital repayment required in February 2016 has been reduced to US$3.1 million, as opposed to US$15 million, which was the case prior to this agreement.

It should also be noted that discretionary spending is regularly scrutinised and scheduled according to its impact on the Group during this critical period while completing the ramp up of KRP. Another factor that may impact the Group is the repayment of the £4.2 million loan notes, due in July 2015. These are secured against the assets held in Turkey and the directors believe that, either the remaining land in Turkey will be sold before July to meet this liability, or that the term of the loan notes can be successfully renegotiated.

The directors have assessed the material uncertainties concerning the future funding requirement of the Group which may cast doubt upon the Group's ability to continue as a going concern and compared them with the levels of expected finance available at a corporate and project level and in consideration of the expected ramp up, have a reasonable expectation that the Group has adequate financial resources to manage its business risks and continue in operational existence for the next twelve months from the date of this report.

Financial Review of Operations

Korean Recycling Plant (KRP*)*

KRP sold 28,564 tonnes of zinc in concentrate to Korea Zinc in the year to 31 December 2014 (2013: 24,577 tonnes). All of the material was sold to Korea Zinc under the offtake agreement which had been signed in April 2011 as part of the financing of the project. This resulted in revenues of US$37.5 million (12 months to 31 December 2013: US$27.1 million). The quality of the product was higher during 2014 with an average zinc grade of 65.6% compared to 65.0% during 2013.

The product sold by KRP is a zinc oxide concentrate sold under an international formula and as a result, the monthly revenues are always dependent on the LME zinc price. The LME zinc price can be volatile and during the year had an average of US$2,164 per tonne (2013 US$1,908 per tonne), with a maximum over the same period of US$2,419 per tonne (2013: US$2,187 per tonne) and a minimum of US$1,941 per tonne (2013: US$1,783 per tonne).

The sales of zinc concentrate are made in US Dollars and the majority of costs incurred at KRP are incurred in KRW, the high point for this exchange rate in the year was 1,135 KRW per US$ (2013:1,170 KRW per US$) and the low point was 1,010 KRW per US$ (2013: 1,054 KRW per US$) with an average for the year of 1,055 KRW per US$ (2013: 1,101 KRW per US$).

The analysts and forecasters who watch the zinc market continue to suggest that as certain key mines become exhausted over the next 12-24 months, the zinc market will go into a deficit on the supply side which is expected to have a positive impact on the zinc price. One key measure for this is the zinc stocks which were 931,175 tonnes at the start of 2014 and dropped by 26% to 691,600 tonnes by the year end. This has continued since the year end such that by the end of March 2015 the stock had fallen a further 26% to 513,125 tonnes.

The underlying EBITDA loss for KRP, prior to any foreign exchange movements, was US$1.3 million during the year (2013: US$9.2 million).

EAFD is a waste which we receive from the Korean steel mills the quality of which is dependent up the scrap buying policies of the steel mills. The incremental revenues in the year were achieved in spite of the zinc grade in the EAFD reducing to an average of 27.2% from an average of 28.2% during 2013. This is really due to the improvement in average recovery in the year to 88% from 84% during 2013, and the improving zinc price.

As has been noted, the plant had various stoppages through the year to remediate both the heat exchangers and the refractory in the furnace. These stoppages severely limited the plant's capacity in 2014.Despite this, the plant still managed to process 119,000 tonnes of EAFD in the year compared to 103,000 tonnes the year before. The impact of running the KRP below its capacity of 200,000 tonnes per annum was that certain operating parameters were not yet at the target levels and additional costs were incurred for remediation.

The remediation and maintenance costs required to fix the issues amounted to US$5.2 million in the year, (2013: US$5.4 million) and were charged to cost of sales during the year. In addition landfill costs for EAFD not processed in the year during the remediation stoppages, amounting to US$1.1 million (2013: US$1.8 million) has been charged to cost of sales. With stop/start production the quality of the DRI produced was extremely variable and the DRI which was produced in the year was landfilled at a cost of US$1.7million (2013: US$1.7million). The impact of the stoppages at KRP resulted in the operation not achieving target cost levels for utilities and other consumables, notably the gas consumption and associated cost. Oxygen injection was introduced to the plant early in the year to help reduce the gas consumption. Since the December remediation the gas consumption, which is the largest cost on the plant, has been on target in terms of consumption per tonne EAFD. When the plant is operating at full capacity however, it is still expected that the other main operating costs will be close to planned levels.

A depreciation charge of US$6.1 million (2013: US$5.9 million) has been included in cost of sales for KRP, in arriving at the result for the year.

Other Projects

USA

In 2007 the Group purchased a 17 acre site in Ohio which was intended to be the site of the first RHF plant. KRP, however, has since become the first RHF for the Group and the land in Ohio will only be required when the Group develops an RHF in the USA. The EAFD supply agreements in the USA are under relatively long term arrangements between the mills and existing recyclers and, as a result, the land in the USA is currently surplus to requirements. The directors took the decision to put the land up for sale and, as a result, the land is shown as an asset held for sale on the balance sheet with a value of US$0.4 million.

The Big River Zinc smelter in USA has been integral to all the Group considerations for development of a recycling facility in the USA. Because of the uncertainty of the timing of a future recycling plant in the USA, the decision has been taken to financially impair the investment of the USA related assets (US$13.7 million). The Group has been seeking alternative activities at BRZ but, in the immediate absence of firm plans, the directors feel the asset should be impaired.

Turkey

The Group's land in Turkey in the Light Industrial Zone, which was purchased in 2006, was split into smaller plots to facilitate sales. These plots have been marketed over the last three years which has resulted in the sale of 21 plots (55 in total) during 2014 (2013: 34 plots sold) generating total cash of US$5.2 million (YTL 11.4 million). Since the end of the year all the remaining plots have been sold.

The income from the sale of the land in the Light Industrial Zone, is being used to pay the interest on the £4.2 million loan notes which the Group borrowed in August 2013. These proceeds are held in escrow for the loan note subscribers. At the end of December the balance in the escrow account was £947k.

The £4.2 million was borrowed using the land assets held in Turkey as collateral. In addition to the funds held in escrow, the land inside the Heavy Industrial Zone is also being used as collateral to cover the loan notes. The loan notes have an interest rate of 10% and a repayment date of July 2015.

The requirement to repay these loan notes in July has meant the directors need to fully appraise the likelihood of an RHF project in Turkey. The Turkish EAFD market was re-evaluated during the latter part of 2014 to determine the availability of material. This concluded that existing and processing capacity would not leave sufficient dust for the development of a plant by ZincOx in Turkey. As a result, the Group has taken the decision to actively market the land in the Heavy Industrial Zone so that it may be sold to repay the loan notes.

Environmental, Health, Safety & Quality

The Group believes that what is good for the planet is good for business and good for the communities in which ZincOx operates. There is an overriding commitment to Sustainable Development which is pursued through the effective management of Environment, Health, Safety and Quality ("EHSQ") using best practices from ZincOx and other third parties.

As the projects are progressed internationally, the directors remain relentless in their pursuit of an injury free environment for all employees and others who come onto ZincOx sites and the Group seeks to ensure that its business contributes lasting benefits to society through the consideration of health, safety, social, environmental, ethical and economic aspects in all decisions and activities.

During 2014, some one hundred and eighty two thousand hours were worked in ZincOx worldwide, including projects, with no significant environmental incidents and only one lost time incident involving one of our employees at KRP. ZincOx's management believe that all incidents and injuries are preventable and strives to create a workplace culture where all employees and contractors share these beliefs.

Risks

Set out below are certain risks which may affect performance. Such risks are not intended to be presented in any order of priority. Although the directors and senior management have significant experience and take steps continually to mitigate and review risks as far as possible and reasonably practicable, any of the risks set out below, as well as any other risks referred to in this annual report, could have a material adverse effect on business performance. In addition, the internal and external risks set out below are not exhaustive and additional risks, not presently known to the directors, or which the directors currently deem immaterial, may arise or become material in the future.

Operational risks

- Failure of equipment,
- Failure of third party services,

- Unavailability of materials and equipment is managed through regular dialogue with external suppliers and monitoring of equipment on the site by the maintenance team,
- Further remediation at KRP which may impact future cash generation of the plant,
- Environmental incidents are managed by routine monitoring and training of staff,
- Health and safety incidents, and nil returns are reported on a monthly basis,
- Single project dependence,
- Reduced availability of EAFD in Korea, which is being mitigated by finding new sources of dust, and
- Loss of key personnel.

Financial risks

- Zinc price movements and its associated volatility will affect the monthly profitability of KRP,
- Zinc price movements will affect the amount of finance which may be available for the development of other projects within the Group. Any decline in zinc prices will therefore have an adverse impact on the business. No hedging is currently undertaken to mitigate this risk,
- Unscheduled loss of production at KRP will impact timing of cash receipts and payments and further this will impact on generating surplus cash to fund the Group and repay the debts,
- Foreign exchange movements, notably between US Dollars and Korean Won (KRW) has a particular effect on the Group's result as the revenues are received in US Dollars (matching the borrowings of the Group) and the critical costs at KRP are in KRW. This is continuously monitored and no hedging is currently undertaken to mitigate this risk,
- Cost inflation is managed by reviewing alternative suppliers where appropriate,
- Renewal of a suitable receivable purchase agreement,
- Insurances may not cover all liabilities. Insurance policies are held both at the Group level and at the project level, and are reviewed annually,
- Sale of land in Turkey,
- Maintaining debt equity ratios in respect of borrowings,
- Negotiation with authorities regarding spend commitment in Korea and
- Any legal proceedings.

All of these risks could materially affect the Group, its business, results of future operations or financial condition.

Uncertainties

Set out below are certain principal uncertainties which may affect potential growth across the Group.

- Dependence on the EAFD supply contracts, which is why the Group is aiming to sign up long term EAFD agreements with suppliers of EAFD within target territories for expansion,
- Availability of capital to fund other recycling projects. The directors continue to maintain a good relationship with prospective suppliers of finance,
- Any unplanned stoppages at KRP,
- Ensuring intellectual property and know how is protected and
- Competing technology.

The Group is further exposed to uncertainty connected with the political, fiscal and legal systems, including taxation and currency fluctuations in the territories in which the Group operates.

On behalf of the Board

Andrew Woollett
Chief Executive
15 April 2015

Forward Looking Statements

The Chairman's Statement and the Strategic Report contain discussion of future operations and financial performance by use of various forward looking words such as "anticipates," "estimates," "expects," "projects," "intends," "plans," "believes" and terms of similar substance. These forward looking statements are based on management's current expectations and beliefs about future events but as with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances which could cause the Group's actual activities and results to differ materially from those contained in the forward looking statements.

ZINCOX RESOURCES PLC
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 $'000	2013 $'000
Revenue		38,151	27,522
Cost of sales		(43,413)	(40,292)
Gross loss		(5,262)	(12,770)
Administrative expenses (net of gains and impairments)	3	(22,648)	(8,912)
Operating Loss		**(27,910)**	**(21,682)**
Underlying EBITDA Loss		**(5,975)**	**(15,366)**
Other gains		1,119	1,228
Impairment provisions	2	(13,970)	(597)
Foreign exchange (loss)/gain		(1,257)	676
Depreciation and amortisation		(7,827)	(7,623)
Operating Loss		**(27,910)**	**(21,682)**
Finance income		3	10
Finance costs		(5,322)	(4,661)
Loss before tax		**(33,229)**	**(26,333)**
Taxation		-	2
Net Loss		**(33,229)**	**(26,331)**
Basic and diluted loss per ordinary share (cents)	4	(21.11)	(24.75)
Adjusted loss per ordinary share (cents) *	4	(12.24)	(24.19)

* *adjusted loss per ordinary share calculation excludes impairment provisions*

ZINCOX RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 $'000	2013 $'000
Loss for the year	**(33,229)**	**(26,331)**
Other comprehensive income		
Items that will be subsequently reclassified to profit or loss		
Exchange differences on translating foreign operations	(3,068)	(289)
Total comprehensive income for the year	**(36,297)**	**(26,620)**

ZINCOX RESOURCES PLC
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Notes	2014 $'000	2013 $'000	2012 $'000
Assets				
Non-Current Assets				
Intangible assets		8,615	16,352	15,302
Property, plant & equipment		115,681	134,078	137,519
Investments		100	106	-
Trade and other receivables		10	-	-
		124,406	150,536	152,821
Current Assets				
Inventories		1,651	1,403	2,011
Trade and other receivables		4,405	3,540	5,199
Restricted cash		1,476	667	-
Cash and cash equivalents		1,195	4,752	10,617
		8,727	10,362	17,827
Assets held for sale	5	3,107	1,484	3,138
Total Assets		**136,240**	**162,382**	**173,786**
Liabilities				
Current Liabilities				
Trade and other payables	6	(14,368)	(13,640)	(15,959)
Loans and borrowings	7	(12,238)	(2,026)	(959)
		(26,606)	(15,666)	(16,918)
Non-Current Liabilities				
Trade and other payables	6	(4,598)	(3,730)	(2,751)
Loans and borrowings	7	(52,739)	(59,664)	(52,035)
		(57,337)	(63,394)	(54,786)
Total Liabilities		**(83,943)**	**(79,060)**	**(71,704)**
Net Assets		**52,297**	**83,322**	**102,082**
Equity				
Share capital		46,310	45,795	45,271
Share premium		181,371	176,944	169,985
Retained losses		(153,491)	(120,592)	(94,638)
Foreign currency reserve		(21,893)	(18,825)	(18,536)
Total Equity		**52,297**	**83,322**	**102,082**

ZINCOX RESOURCES PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 $'000	2013 $'000
Loss before taxation		(33,229)	(26,333)
Adjustments for:			
Depreciation and amortisation		7,827	7,623
Interest received		(3)	(10)
Interest expense		5,322	4,661
Impairment of intangible assets	2	7,503	513
Impairment of property, plant and equipment	2	6,467	-
Impairment of trade and other receivables		-	84
Loss on disposal of property, plant and equipment		-	39
Share based payments		330	377
Increase / (decrease) in trade and other payables		2,130	(1,340)
(Increase) / decrease in trade and other receivables		(875)	1,575
(Increase) / decrease in inventories		(248)	608
Foreign exchange losses / (gains)		1,257	(676)
Other gains		(1,119)	(1,228)
Cash utilised in operations		**(4,638)**	**(14,107)**
Interest paid		(2,571)	(3,932)
Taxation		**-**	2
Net cash flow from operating activities		**(7,209)**	**(18,037)**
Investing activities			
Net proceeds from disposal of assets		1,895	2,688
Net proceeds from disposal of scrapped assets		10	69
Purchase of intangible assets		(596)	(1,694)
Purchase of property, plant and equipment		(2,639)	(3,233)
Investment in Russian joint venture		-	(106)
Interest received		3	10
Net cash used in investing activities		**(1,327)**	**(2,266)**
Financing activities			
Proceeds from borrowings		1,270	7,967
Restriction of cash		(809)	(667)
Net proceeds from issue of ordinary shares		4,942	7,483
Net cash received from financing activities		**5,403**	**14,783**
Net decrease in cash and cash equivalents		**(3,133)**	**(5,520)**
Cash and cash equivalents at start of year		4,752	10,617
Exchange differences on cash and cash equivalents		(424)	(345)
Cash and cash equivalents at end of year		**1,195**	**4,752**

ZINCOX RESOURCES PLC
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital $'000	Share premium $'000	FX reserve $'000	Retained losses $'000	Total attributable to equity holders of parent $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 January 2012	**39,525**	**165,850**	**(25,279)**	**(85,451)**	**94,645**	**(8,931)**	**85,714**
Share based payments	-	-	-	219	219	-	219
Issue of share capital	5,746	4,135	-	-	9,881	-	9,881
Capital increase from non-controlling interest	-	-	-	-	-	1,333	1,333
Loss of control of subsidiary	-	-	-	-	-	8,238	8,238
Transactions with owners	**5,746**	**4,135**	**-**	**219**	**10,100**	**9,571**	**19,671**
Loss for the year	-	-	-	(9,406)	(9,406)	(640)	(10,046)
Other comprehensive income							
Items that will be subsequently reclassified to profit or loss							
Exchange differences on translating foreign operations	-	-	6,743	-	6,743	-	6,743
Total comprehensive income for the year	**-**	**-**	**6,743**	**(9,406)**	**(2,663)**	**(640)**	**(3,303)**
Balance at 31 December 2012	**45,271**	**169,985**	**(18,536)**	**(94,638)**	**102,082**	**-**	**102,082**
Share based payments	-	-	-	377	377	-	377
Issue of share capital	524	6,959	-	-	7,483	-	7,483
Transactions with owners	**524**	**6,959**	**-**	**377**	**7,860**	**-**	**7,860**
Loss for the year	-	-	-	(26,331)	(26,331)	-	(26,331)
Other comprehensive income							
Items that will be subsequently reclassified to profit or loss							
Exchange differences on translating foreign operations	-	-	(289)	-	(289)	-	(289)
Total comprehensive income for the year	**-**	**-**	**(289)**	**(26,331)**	**(26,620)**	**-**	**(26,620)**
Balance at 31 December 2013	**45,795**	**176,944**	**(18,825)**	**(120,592)**	**83,322**	**-**	**83,322**
Share based payments	-	-	-	330	330	-	330
Issue of share capital	515	4,427	-	-	4,942	-	4,942
Transactions with owners	**515**	**4,427**	**-**	**330**	**5,272**	**-**	**5,272**
Loss for the year	-	-	-	(33,229)	(33,229)	-	(33,229)
Other comprehensive income							
Items that will be subsequently reclassified to profit or loss							
Exchange differences on translating foreign operations	-	-	(3,068)	-	(3,068)	-	(3,068)
Total comprehensive income for the year	**-**	**-**	**(3,068)**	**(33,229)**	**(36,297)**	**-**	**(36,297)**
Balance at 31 December 2014	**46,310**	**181,371**	**(21,893)**	**(153,491)**	**52,297**	**-**	**52,297**

Notes:

1. Preparation of non-statutory accounts

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2014 or 2013 or 2012 but is derived from those accounts. Statutory accounts for 2013 and 2012 have been delivered to the registrar of companies, and those for 2014 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) included a reference, without qualifying their report to an emphasis of matter in relation to going concern in 2014 and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

2. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future, which by definition will seldom result in actual results that match the accounting estimate. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below:

(a) Impairment Reviews

In accordance with the accounting policy stated above, the Group performs an assessment of the recoverability of intangible assets to see whether any of the development projects have suffered impairment. This assessment is dependent on the future viability of the relevant products and processes and the methodology followed in order to assess the recoverable amount of an individual cash-generating project is to consider a cash flow model over 20 years or the life of the plant, whichever is shorter, and with appropriate assumptions for zinc price, operating and capital development costs. In performing any cash flow analysis the Group uses risk adjusted discount rates based on support from third parties.

The Group also performs impairment tests on assets under the course of development by estimating the recoverable amount of the cash-generating project to which it has been allocated. This recoverable amount is estimated by either discounting future cash flows (value in use) or by considering the fair value less costs to sell of the assets. It should be noted that, where discounting is used, the zinc price and the discount rates have the most significant impact on the value in use calculations.

Following the decision to make KRP the first RHF project, the Group has been seeking alternative uses for its USA assets since 2012 and notably for Big River Zinc. In light of the uncertainty about a future project in USA, specifically due to the non-availability of EAFD under long term supply agreements, the Group has decided to make a financial impairment of the US$7,330k intangible assets in USA, which were previously held for the Ohio Recycling Project. These intangible costs reflect the work which was previously done to enable an RHF development in USA. BRZ was always intended to be an integral part of any RHF development in USA because of its ability to wash the concentrate so as a result of the impairment of the intangible assets in USA, the Group has also made the difficult decision to also impair the property, plant and equipment assets at BRZ (US$6,313k).

A further US$173k of intangible assets and US$53k of equipment, representing group wide costs previously held against future development, have also been impaired following a review of these costs.

The table below summarises the impairment provisions made in the year and included in the Group income statement.

Impact on Group	Notes	ORP $'000	BRZ $'000	Other Minor Projects $'000	Total Impairment $'000
Intangible assets	8	7,330	-	173	7,503
Property, plant & equipment	9	101	6,313	53	6,467
2014 provision		**7,431**	**6,313**	**226**	**13,970**

For the year ending 31 December 2013, the Group made impairments of US$513k against intangible assets and US$84k against trade and other receivables

(b) Share Based Payments

In order to calculate the charge for share based payments as required by IFRS2, the Group makes estimates principally relating to the assumptions used in its option or warrant pricing model. The charge made in the year in respect of options is US$330k (2013: US$8k) and for warrants is US$ nil (2013: US$369k).

(c) Going Concern

The directors consider various scenarios in reviewing the budgets and projections for 2015 and for a period of at least twelve months from the date of this report. These scenarios review the financial modelling of various throughput scenarios at KRP over the next twelve months including (but not limited to) sensitivity on the zinc price, recovery of zinc from EAFD, tonnes of zinc sold and key operating costs.

The zinc price assumption started with a review of the actual price over the last twelve months and predictions of analysts for the next 12-18 months. These predictions continue to be above today's prices, due to a supply side deficit expected in the zinc market in the coming 12-24 months. In light of these parameters, the directors have made a price assumption that the zinc prices will rise to US$2,200 per tonne through the second half of 2015 up from today's levels of US$2,150 per tonne. The ramp up profile is expected to achieve a throughput at target production by the last quarter of 2015. There are two further planned maintenance periods also assumed during the remainder of 2015. The zinc tonnes sold assume a rising zinc recovery up to target levels through the remainder of 2015. As throughput rises, so the operating cost metrics (i.e. measured in consumptions per tonne of EAFD), are expected to fall through the remainder of the year.

Because of the continued focus on the performance of the KRP plant in any going concern forecast, this was the reason the directors made the recent agreement regarding the Development Loan with Korea Zinc to ensure that the project would have generated sufficient cash to repay the loan when it falls due. As a result, the capital repayment required in February 2016 has been reduced to US$3.1 million, as opposed to US$15 million, which was the case prior to this agreement.

It should also be noted that discretionary spending is regularly scrutinised and scheduled according to its impact on the Group during this critical period while completing the ramp up of KRP. Another factor that may impact the Group is the repayment of the £4.2 million loan notes, due in July 2015. These are secured against the assets held in Turkey and the directors believe that, either the remaining land in Turkey will be sold before July to meet this liability, or that the term of the loan notes can be successfully renegotiated.

The directors have assessed the material uncertainties concerning the future funding requirement of the Group which may cast doubt upon the Group's ability to continue as a going concern and compared them with the levels of expected finance available at a corporate and project level and in consideration of the expected ramp up, have a reasonable expectation that the Group has adequate financial resources to manage its business risks and continue in operational existence for the next twelve months from the date of this report.

3. Administrative Expenses (net of gains and impairments)

	Notes	2014 $'000	2013 $'000
Administrative costs (excluding depreciation/amortisation)		(7,262)	(8,888)
Other gains		1,119	1,228
Impairment provisions	2	(13,970)	(597)
Foreign exchange (loss)/gain		(1,257)	676
Depreciation and amortisation		(1,278)	(1,331)
		(22,648)	**(8,912)**

4. Loss Per Share

The calculation of the loss per share is based on the loss attributable to ordinary shareholders of US$33,229k (2013: US$26,331k) divided by the weighted average number of shares in issue during the year of 157,388,897 (2013: 106,370,166).

An adjusted loss per ordinary share for the year has been presented to exclude the impairment provisions made in the year of US$13,970k (2013: US$597k). It has been calculated based on adjusted loss attributable to ordinary shareholders of US$19,259k (2013: US$25,734k).

There is no dilutive effect of the share options in issue during 2014 and 2013.

5. Assets Held for Sale

Following the decision to sell the land inside the Heavy Industrial Zone at Aliaga, Turkey, this asset has now been classified as assets held for sale. The historic cost of US$2.2 million (YTL 5.2 million) has been applied as the realisable value.

ZincOx also owns land in the Light Industrial Zone at Aliaga, which was originally purchased in 2006 but considered surplus to requirements in 2011. It has subsequently been split into smaller plots to facilitate its sale with the majority of the smaller parcelled plots now sold as at the end of 2014. The historic cost of US$0.2 million (YTL 0.6 million) for those plots has been applied as the realisable value.

Subsequent to selling the Group's mining assets in Yemen and the associated Rubber Grade Plant ("RGP") in Belgium, the remaining property, plant and equipment relating to the RGP has been classified as assets held for sale. The carrying value of these assets has been assessed at a fair value of US$0.3 million (EUR 0.2 million).

The Board took the decision to sell the land in Ohio which was previously held to develop a recycling project in the USA. This asset has been classified as assets held for sale with a fair value of US$0.4 million.

The Turkish land and the remaining property, plant and equipment at ZincOx Belgium Sprl form part of the Group's recycling segment activity and fall within the geographical region called 'Rest of Europe'. The land at Ohio forms part of the Group's recycling segment activity and falls within the geographical region called 'USA'.

6. Trade and Other Payables

	2014 $'000	2013 $'000	2012 $'000
Current			
Trade payables	9,003	7,680	8,146
Taxation and social security	254	268	246
Accruals	4,552	5,104	6,616
Other payables	544	566	936
Finance lease obligations	15	22	15
	14,368	**13,640**	**15,959**
Non-Current			
Accruals	3,690	2,795	1,880
Employee benefits	8	10	294
Other payables	886	891	549
Finance lease obligations	14	34	28
	4,598	**3,730**	**2,751**

7. Loans and Borrowings

	2014 $'000	2013 $'000	2012 $'000
Current			
Korea Zinc Company Limited secured loans	3,413	976	950
Standard Chartered Bank Korea Ltd facility	2,260	999	-
Secured loan notes	6,541	-	-
Other bank borrowings	24	51	9
	12,238	**2,026**	**959**
Non-Current			
Korea Zinc Company Limited secured loans	52,739	52,739	52,035
Secured loan notes	-	6,925	-
	52,739	**59,664**	**52,035**

Korea Zinc loans

In 2011, two separate loans were taken out with Korea Zinc Company Limited ("Korea Zinc") by ZincOx (Korea) Ltd; a long term Offtake Loan for US$37.8 million and a shorter term Development Loan for US$15 million.

The long term 'Offtake Loan' is repayable by 30 June 2022 with interest chargeable at USD 6 month LIBOR plus a 5% margin. The shorter term 'Development Loan' has an interest rate of 15% with a repayment date that was extended in the year by 12 months to February 2016.

In March 2014, an amendment to the loan agreements was reached with Korea Zinc to defer the interest payments on both loans for a period of 12 months. At 31 December 2014, total deferred interest of US$3.4 million had been accrued against the loans and is currently shown in current liabilities (see note 8 'Post Balance Sheet Events' for further details).

Both loans with Korea Zinc are secured by a debenture over the assets of KRP only.

Standard Chartered Bank Korea Ltd facility
In April 2013, a US$5 million rolling Receivables Services facility was taken out by ZincOx (Korea) Ltd with Standard Chartered Bank Korea Ltd ("SCBK"). Interest is chargeable at USD 3 Month LIBOR plus a 4% margin and is payable immediately.

Secured loan notes
In July 2013, the Company issued loan notes to a value of £4.2 million (US$6.5 million) together with four year warrants over 9,450,000 new ordinary shares of the Company. Interest is 10%, payable on a monthly basis with repayment due in July 2015.

The loan notes are secured against the shares in ZincOx Anadolu Cinko SVTAS, the Company's wholly owned subsidiary that owns the freehold land held at Aliaga, Turkey.

Other loans
Other bank borrowings represent an unsecured facility taken out by ZincOx Resources Belgium Sprl to fund short-term working capital requirements.

8. Post Balance Sheet Events

On 28 January 2015, the Company granted 1,919,000 options over its ordinary shares at a subscription price of 10.0 pence per ordinary share and issued a further 1,018,500 options under its Performance Share Plan at a zero subscription price.

In March 2015, negotiations took place with Korea Zinc regarding the repayment of the US$15 million Development Loan. The terms of the renegotiation allow six equal payments of US$3.1 million to be made every six months beginning in February 2016. In recognition of the excellent quality of the KRP zinc concentrate the offtake agreement has been increased to 1,050,000 tonnes during these renegotiations of the Korea Zinc loans.

On 14 April 2015, following a re-organisation of the Board, Jacques Dewalens resigned as an executive director and Guy Lafferty as a non-executive director.

9. Annual Report

In accordance with AIM Rule 20, copies of the Annual Report together with the Notice of Annual General Meeting and Proxy Card will be sent to shareholders by 21 April 2015.

The Annual Report, Notice of General Meeting and Proxy Card will be available to view on the Company's website at www.zincox.com by 21 April 2015, or from the Company at Knightway House, Park Street, Bagshot, Surrey, GU19 5AQ. It should be noted that online voting will be available from 22 April 2015.

10. Annual General Meeting

The Annual General Meeting of the Company will be held at 12.30pm on 22 May 2015 at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS.