



13th July 2015

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

Loan Notes Extension and Sale of USA Assets

ZincOx (AIM:ZOX), developer and operator of one of the largest Electric Arc Furnace Dust (“EAFD”) recycling facilities in the world, announces that it has extended the redemption date for the loan notes (“Loan Notes” or “Notes”) by 12 months to 20 August 2016 and sold assets in the USA.

Extension of Loan Notes

The issuance of Loan Notes was announced on 13 August 2013. The Notes amount to £4.2 million, bear annual interest at 10% and are secured over land in Turkey.

As explained in the Company’s latest Annual Report, due to the planned development of new recycling facilities in Turkey by other entities, it was clear to the Company that there was little likelihood of ZincOx being able to secure long term EAFD supply agreements and so develop a plant in Turkey. Unfortunately, due to the uncertainty created around the Turkish election in June, it was not possible to conclude a sale and furthermore the inconclusive election result and continuing political uncertainty is likely to dampen interest until there is more political stability which may not be until after a new election is held towards the end of this year.

In order to have sufficient time to sell the land at a fair price and repay the Loan Notes, the holders of the Notes (“Noteholders”) have agreed to extend the redemption date of the Notes by 12 months and allow their early repayment without penalty. In exchange for these changes, the warrants over 9,450,000 Ordinary Shares in the Company, previously issued to Noteholders will be repriced from 40p to 25p and their duration extended by one year (the “Transaction”) but in all other regards the terms of the warrants are unchanged. No new warrants will be issued.

The Noteholders include two directors of the Company, Andrew Woollett and Gautam Dalal (“Lending Directors”), who hold £975,000 and £500,000 of the Notes respectively. Due to the involvement of the Lending Directors, the Transaction constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies. The Independent Directors (the directors of the Company excluding the Lending Directors), having consulted with Peel Hunt, the Company’s Nominated Adviser, consider that the terms of the transaction are fair and reasonable insofar as the shareholders of the Company are concerned.

Big River Zinc Assets, USA

ZincOx is also pleased to announce the sale of the land, plant and equipment (the “Assets”) owned by its wholly owned subsidiary, Big River Zinc Corporation, for the sum of \$750,000. Completion of the sale is due to take place on or before 31 July 2015.

The Company had retained the plant for the piloting of consecutive metal leaching (“CML”) and/or the upgrading of zinc concentrate (“HZO”). However, as stated in its latest Annual Report, the CML piloting can be undertaken elsewhere at a lower cost and the treatment of HZO in the USA would be uneconomic. Consequently, the Company decided to dispose of the Assets.

Rod Beddows, ZincOx’s Non-Executive Chairman and Independent Director, said: “The extension to the Loan Notes means we have not had to rush into a sale and this should enable us to get a fair price for this land. Our withdrawal from Turkey and the USA will reduce overheads and enable us to concentrate fully on the Far East where our next plant will be developed.”

For more information please visit www.zincox.com or contact:

ZincOx Resources plc Tel: +44 (0) 127 645 0100
Andrew Woollett, Chief Executive Officer

Peel Hunt LLP (Nominated Adviser and Joint Broker) Tel: +44 (0) 207 418 8900
Daniel Harris
Euan Brown

finnCap Limited (Joint Broker) Tel: +44 (0) 207 220 0500
Joanna Weaving
Christopher Raggett

Tavistock Communications (Financial PR) Tel: +44 (0) 207 920 3150
Simon Hudson
Nuala Gallagher