

25 November 2015

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

Proposed Fundraising for Working Capital

ZincOx (AIM:ZOX), announces that due to the continuing weakness of the zinc price the Company is looking to raise at least US\$6.5m in a fundraising for working capital.

In the interim results published on 30 September 2015, the Company warned that if there was no material recovery in the zinc price, then trading at around US\$1660, the Company may need to review its financing options including raising further capital. Since then, the price has fallen a further approximately 10% touching a recent low of US\$1,487 per tonne.

Given the sale of zinc concentrate is linked to the zinc price and since concentrate is the only income of the business, the decline in the zinc price has had a material adverse impact on the cash position of the Company and absent a new injection of capital, the Company will face a shortfall in its cash position by the end of 2015.

The Company has been exploring various options in respect of its funding needs and is now considering a placing with potential new and existing shareholders to raise \$6.5m ("Fundraising"). Based upon various assumptions, including a sustained recovery of the zinc price to an average of not less than US\$1,650 during 2016, the Directors believe this should be sufficient to cover the funding needs of the Company for the next 12 months. A letter and notice of general meeting will shortly be posted to shareholders seeking authority to allot new ordinary shares and disapply pre-emption rights in relation to the Fundraising.

The Company also notes that it is in advanced discussions with Korea Zinc to defer and reschedule the interest and principal repayments due from February 2016 in respect of the outstanding loans. The proposed Fundraising will be conditional upon resolution of these discussions.

In the event that the Company is not able to secure sufficient funding through the Fundraising or alternative sources of funding, the Company will transfer 90% of the equity in the Korean Recycling Plant (KRP) to Korea Zinc and thereby retain a 10% interest.

The first shipment of imported EAFD has now arrived at KRP and as foreseen in the Half Year Report, during the scheduled October/November three week closure, various remediation works were undertaken, including removal of the heat exchangers. KRP has restarted and hourly throughput is over 92% of target.

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