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ZincOx Resources plc

(“ZincOx” or the “Company”)

**Proposed fundraising through a conditional Placing
to raise £205,000**

On 29 December 2015 the Company announced that it was exploring funding options to exploit the potential to develop its Rotary Hearth Furnace (“RHF”) and Consecutive Metal Leaching (“CML”) zinc dust recycling technology outside South Korea.

The Company is pleased to announce that it has raised £205,000 by way of a conditional placing of 20,500,000 shares at a price of 1p per share before expenses.

Highlights

- 20.5 million new Ordinary Shares conditionally placed with existing shareholders and directors to raise £205,000 before expenses.
- Placing price of 1 pence per share representing a premium of approximately 81.8 per cent. to the closing mid-market price of 0.55 pence on 1 February 2016 (being the latest practicable date prior to the date of this Announcement).
- Proceeds of the Placing are anticipated to be used for working capital to support management exploration of options to develop RHF and CML technology outside South Korea.
- The Placing is conditional only on Admission.
- Following disposal of 90% of KRP to Korea Zinc (expected early March), the Company is to become an AIM Rule 15 cash shell with six months to announce a deal

Commenting on the announcement, Rod Beddows, the Chairman of ZincOx, said “This Placing will give the Company time to explore various options for its future once the transfer of the 90% of the Korean Recycling Plant has taken place.”

All defined terms in this Announcement shall have the meanings ascribed to them in the announcements of 30 November 2015 and 29 December 2015.

For further information, please contact:

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1. Details of the Placing

The Company has, conditional only on Admission, raised approximately £205,000 (before expenses) by the proposed issue of 20.5 million Ordinary Shares (the “Placing Shares”) at a price of 1 pence per share.

The Placing Price represents a premium of approximately 81.8 per cent. to the closing mid-market price of 0.55 pence per Ordinary Share on 1 February 2016, being the latest practicable date prior to the publication of this announcement. The 20.5 million Placing Shares will represent approximately 10.8 per cent. of the current issued share capital of the Company. Following the issuance of the Placing Shares, the enlarged issued share capital of the Company will be 210,413,419 Ordinary Shares.

Application has been made to the London Stock Exchange Plc for the Placing Shares to be admitted to trading on AIM. The Placing Shares are expected to commence trading at 8.00am on 5 February 2016 and will rank *pari passu* in all respects with the existing Ordinary Shares.

2. Background to the Placing and Use of Proceeds

As described below, the Company will, following the disposal of 90% of KRP, have no immediate incoming cashflow and will, therefore, need to consider how it is to operate in future. It will be considering a number of options, including the use of its established intellectual property.

At KRP the Directors believe that the Company has demonstrated, at full commercial scale, the operating cost and efficiency of the treatment of Electric Arc Furnace Dust (“EAFD”) in the RHF. The Directors believe that the unique and consistent quality of the zinc concentrate (HZO) produced by the Korean plant has also been demonstrated. At a small scale, the Directors believe that the Company has also demonstrated the efficiency and cost of treating the concentrate using the CML technology to produce a zinc oxide of chemical quality, IZO. The Directors believe that the combination of CML with RHF technology would create an operation that should generate a much enhanced rate of return and which, even at recent zinc prices, would generate a positive EBITDA.

The Company will continue its discussions with potential strategic and project specific partners for the development of a new recycling project and additional potential investors are being investigated. In addition, the Company, as a cash shell, is looking at other opportunities which, if successful, would be brought to the shareholders.

Following the Placing, the net cash resources available to the Company will be approximately £400,000. The Company estimates that this should provide operating cash for up to 5 months from today on the basis of its plans outlined above and on a reduced overhead basis as previously announced. By such time it will either, pursuant to Rule 15 (as set out below), be in the process of cancellation of Admission to AIM or have been the subject of a reverse takeover.

Since the current Placing is at a significant premium to the current share price, and given the limited cash resources available to the Company and the costs associated with such transaction, the Company has

decided not to offer shares to existing shareholders under an Open Offer.

3. AIM Rule 15

As announced on 29 December 2015, the Company will shortly be transferring 90% of its interest in KRP to Korea Zinc ("Transfer"). On completion of the Transfer (which will be announced to the market when effected), under Rule 15 of the AIM Rules for Companies, the Company will be regarded as an AIM Rule 15 cash shell.

Under Rule 15 of the AIM Rules, within 6 months of the Transfer, the Company must make an acquisition or enter into commercial arrangements which constitute a reverse takeover under Rule 14 of the AIM Rules ("Reverse Takeover").

In the event that the Board do not anticipate that they will be in a position to undertake a transaction which constitutes a Reverse Takeover or an acquisition under Rule 15, the Company will, as soon as practicable, procure the cancellation of admission of its shares on AIM within the provisions of Rule 41 of the AIM Rules and thereafter consider all options available to it.

It is emphasized that there is no certainty that the Company will be able to secure an acquisition or Reverse Takeover as set out above.

4. Cancellation of Deferred Shares

On becoming a cash shell, as referred to above, the Company will continue to look actively for opportunities and in line with simplifying the share structure of the Company, all the outstanding 103,466,716 deferred shares (which carried limited participation rights) created as part of the capital reorganisation which took place on 29 November 2013 were cancelled on 1 February 2016. The deferred shares were not admitted to AIM.

5. Related Party

SR Global Fund LP ("Sloane Robinson") currently holds 31,642,319 Ordinary Shares (representing 16.66 per cent. of the Company's existing Ordinary Shares) and has agreed with the Company to subscribe for 10,500,000 Placing Shares in the Placing at the Placing Price. Following completion of the Placing, Sloane Robinson will hold 42,142,319 Ordinary Shares in aggregate representing 20.03 per cent of the enlarged share capital following the Placing. As Sloane Robinson is treated as a "substantial shareholder" of the Company, its participation in the Placing constitutes a "related party transaction" under the AIM Rules.

The Board consider, having consulted with the Company's nominated adviser, Peel Hunt, that the terms on which Sloane Robinson is participating in the Placing are fair and reasonable insofar as the Company's Shareholders are concerned.

6. Total Voting Rights

Subsequent to the issuance of the Placing Shares, the Company will have 210,413,419 Ordinary Shares in issue. The Company does not hold any shares in treasury. Accordingly, following admission of the Placing Shares, the total number of Ordinary Shares and voting rights in the Company is 210,413,419. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

7. Directors' participation in the Placing

The Directors whose names are listed below have expressed commitment to subscribe for the following numbers of the new Ordinary Shares as part of the Placing:

<i>Name of the Director</i>	<i>No. of Placing Shares</i>
Andrew Woollett	1,400,000
Rod Beddows	500,000
Total	1,900,000

The interests (all of which are beneficial unless otherwise stated) of the Directors and their immediate families and the persons connected with them (within the meaning of section 252 of the Companies Act) in the issued share capital of the Company or the existence of which could, with reasonable diligence, be ascertained by any Director as at the date of this Announcement and as expected to be immediately following Admission are as follows:

<i>As at the date of this announcement</i>			<i>Immediately following Admission</i>		
<i>Name</i>	<i>No. of Existing Ordinary Shares</i>	<i>% of Existing Issued Share Capital</i>	<i>Total No. of Ordinary Shares</i>	<i>% of Enlarged Issued Share Capital</i>	<i>Total No. of Ordinary Shares over which options are granted</i>
Andrew Woollett	6,286,779	3.31	7,686,779	3.65	408,716
Gautam Dalal	1,589,920	0.84	1,589,920	0.76	-
Rod Beddows	822,500	0.43	1,322,500	0.63	-
Simon Hall	163,100	0.09	163,100	0.08	353,758

8. Placing Agreement

Pursuant to the Placing Agreement, Peel Hunt has conditionally placed the Placing Shares with placees at a price of 1 pence per Placing Share to raise £205,000 before expenses. It is anticipated that dealings in the Placing Shares will commence at 8:00 a.m. on 5 February 2016. The Placing is conditional on Admission becoming effective and the Placing Agreement becoming unconditional in all respects by no later than 8:00 a.m. on 5 February 2016 or such later date (being not later than 8:00 a.m. on 3 March 2016) as the Company and Peel Hunt may agree.

The terms and conditions applicable to the Placing are set out in the Placing Agreement. Peel Hunt has agreed to use its reasonable endeavours to procure placees for the Placing Shares. The Placing Agreement contains certain customary warranties. The Company has also agreed to indemnify Peel Hunt against all losses, costs, charges and expenses which Peel Hunt may suffer or incur as a result of, occasioned by or attributable to the carrying out of its duties under the Placing Agreement.