

17 June 2016

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ZincOx Resources plc

(“ZincOx”, the “Company” or the “Group”)

**Fundraising through a Conditional Placing
to raise £300,000 and Board Change**

The Company is pleased to announce that it has raised £300,000 by way of a conditional placing of 30,000,000 shares at a price of 1p per share before expenses.

Highlights

- 30 million new Ordinary Shares conditionally placed with shareholders to raise £300,000 before expenses.
- Placing price of 1 penny per share representing a premium of approximately 60 per cent. to the closing mid-market price of 0.625p pence on 16 June 2016 (being the latest practicable date prior to the date of this Announcement).
- Proceeds of the Placing will be used for working capital to follow up on various opportunities referred to below.
- The Placing is conditional only on Admission.

Commenting on the announcement, Rod Beddows, the Chairman of ZincOx, said “This Placing gives the Company the wherewithal to evaluate various exciting opportunities using our extensive metallurgical expertise.”

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1. Details of the Placing

The Company has, conditional on Admission, raised £300,000 (before expenses) by the issue of 30 million Ordinary Shares (the “Placing Shares”) at a price of 1 penny per share.

The Placing Price represents a premium of approximately 60 per cent. to the closing mid-market price of 0.625 pence per Ordinary Share on 16 June 2016, being the latest practicable date prior to the publication of this announcement. The 30 million Placing Shares will represent approximately 14.2 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 240,413,419 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 20 June 2016 and will rank *pari passu* in all respects with the existing Ordinary Shares.

2. Background to the Placing and Use of Proceeds

Following the disposal of 90% of the Company’s interest in the Korean Recycling Plant (KRP), the Company has no immediate incoming cashflow and is therefore considering a number of new opportunities, including the use of its established intellectual property as previously reported.

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

More specifically the Company is working with EETAC, a consortium of US and international investors, which is examining the possibility of bidding for certain assets associated with the estate of Doe Run Peru. Specifically, EETAC is considering making a bid for the metallurgical complex of La Oroya and Cobriza mine located in Peru. ZincOx is advising EETAC on technical, operational and business aspects relating to restart of the zinc circuit at a rate of 75,000 tonnes per annum. ZincOx is negotiating a carried interest in the project.

The Doe Run Peru metallurgical complex of La Oroya is one of the largest polymetallic treatment facilities in the world, which has historically produced annually up to 53,000 tonnes of copper, 79,000 tonnes of zinc, 114,000 tonnes of lead, 1,000 tonnes of silver, as well as six other metals including gold. The complex is located in the high Andes approximately 120 km east of Lima, in the heart of one of the world’s most important base metal producing regions. The complex is presently in liquidation.

The Company is also working with GreenNovo Environmental Technology Co Ltd (GreenNovo), www.greenovo.com, to identify suitable zinc processing and dust recycling opportunities inside and outside China.

GreenNovo is the world’s largest recycler of steel waste dusts, processing over 1.3 million tonnes annually. GreenNovo operates sixteen Waelz kilns across China and processes their zinc bearing concentrates by

leaching and electrowinning to make SHG zinc metal and six other by-products. GreenNovo is keen to expand internationally and into other metals.

Following the Placing, the net cash resources available to the Company will be approximately £440,000 at the end of June. The Company estimates that this should provide sufficient cash to pursue a number of opportunities over the next twelve months.

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 transactions, the Company has decided not to offer shares to existing shareholders under an Open Offer.

3. Total Voting Rights

Subsequent to the issuance of the Placing Shares, the Company will have 240,413,419 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 240,413,419. 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.

4. Board Changes

As previously mentioned, ZincOx is continuing to drive down costs and overheads and as part of this we are very sorry indeed to be losing Simon Hall and the Board thanks him for his dedication to the Group throughout his tenure and wishes him well for the future. Simon will be replaced by a part time Finance Director in due course.