

12 January 2017



## **ZincOx Resources plc**

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

### **Sale of Remaining Interest in KRP**

ZincOx Resources plc (“ZincOx” or “the Company”) is pleased to announce that on 11 January 2017 it entered into a Sale and Purchase Agreement (“SPA”) with Korea Zinc Company Limited (“KZC”) in regard to the Company’s remaining interest in Zinc Oxide Corporation (“ZOC”), formerly known as ZincOx Korea Limited, owner of the Korean Recycling Plant (“KRP”).

KZC has agreed to pay a total of USD 7,950,000 in two tranches for the remaining interest in ZOC, of which USD 7,000,000 is to be paid within three weeks and the balance once KZC has completed various procedural requirements in Korea. In the event that the second tranche is delayed by nine months, interest will start to be paid at five per cent. per annum on the amount outstanding. It is anticipated that the second tranche will be paid within six months and in the meantime the shares will be held by KZC in escrow. The carrying value of this asset shown in the Interim Statement of the Company at 30 June 2016 was USD 5,800,000; thus this transaction results in a gain of approximately USD 2,000,000.

The proceeds from the sale will be used to repay the Company’s Corporate Loan Notes, which together with accrued interest amounts to approximately USD 5,000,000 (£ 4,000,000). The balance will be used to progress other projects upon which we have been working.

Commenting on the announcement, Andrew Woollett, ZincOx’s CEO, said: *“The sale will enable the Company to pay off all its debt and provide sufficient funds for us to work on new and exciting major projects around which the Company can be rebuilt”*

This announcement contains inside information for the purposes of Article 7 of regulation 596/2014.

For further information, please go to: [www.zincox.com](http://www.zincox.com) or contact:

**ZincOx Resources plc**

Tel: +44 (0) 127 645 0100

Andrew Woollett

**Peel Hunt LLP** (Nominated Adviser and Broker)

Tel: +44 (0) 207 418 8900

Richard Kauffer  
Euan Brown