

16th April 2018



**ZincOx Resources plc**  
("ZincOx", the "Company" or the "Group")

**Sale of Vietnam Project**

ZincOx Resources plc ("ZincOx" or "the Company") is pleased to announce that on 16<sup>th</sup> April 2018 it entered into a Sale and Purchase Agreement ("SPA") with Korea Zinc Company Limited ("KZC") in regard to the Company's interest in Zinc Oxide Corporation Vietnam ("ZOCV"), the company established to develop the Vietnamese Recycling and Upgrading Plant ("VRUP").

The Company has, on the same date, entered into a Technical Assistance and Marketing Support Agreement ("TAMSA") with ZOCV, in order to provide support for VRUP.

Under the SPA KZC has agreed to pay USD 1,250,000 for ZincOx's 49% interest in ZOCV, by 30<sup>th</sup> April 2018.

Under the TAMSA, ZOCV has agreed to pay, by 15<sup>th</sup> May 2018:

- USD 1,184,210 as an upfront technical assistance fee
- a lump sum Licence Fee of USD 500,000 less tax

In addition, it has agreed to pay two further sums in the future:

- the sum of USD 284,210, per annum, for a period of eight years, commencing on commercial production from VRUP. The annual payments could be postponed in the event that ZOCV has no profit after tax in any one year.
- a marketing support fee of USD 2.84 per metric tonne of industrial quality zinc oxide chemical sold will be paid for a period of five years from the commencement of commercial production, which is expected to amount to about \$85,000 per annum.

The proceeds from the sale will be added to the Company's existing funds and used to identify and progress other projects.

The sale has been triggered by the commencement of the development of VRUP. VRUP is a 100,000 tpa Electric Arc Furnace Dust (EAFD) processing plant that is scheduled for production in mid-2019, at a capital cost of about USD 115 million. VRUP will use the same Rotary Hearth Furnace ("RHF") core technology that the Company developed in Korea and which has been operating successfully for over five years. The technology's installation in a second plant clearly demonstrates its attractiveness. In addition, VRUP has been designed with new equipment that takes the exceptionally high quality zinc concentrate produced in the RHF and upgrades this to a zinc oxide of industrial quality that can be used as a raw material for the ceramic and rubber industries, thus significantly enhancing the revenue of the operation.

Commenting on the announcement, Andrew Woollett, ZincOx's CEO, said: *"The sale is another positive step in generating cash and rebuilding our balance sheet and shows that the Company can generate value by identifying and advancing zinc recycling opportunities. We will continue to pursue new projects around which the Company can be rebuilt and the experience gained by the management of the pre-development work in Vietnam will have a major impact on the time and cost of working up new projects."*

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**  
Andrew Woollett

Tel: +44 (0) 127 645 0100

**Asset Match Limited**  
Ben Weaver  
Matthew Wilson

Tel: +44 (0) 207 248 2788