

**THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.**

If you sell or have sold or otherwise transferred all of your Ordinary Shares you should send this document and the accompanying form of proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding, you should retain these documents.

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# **ZINCOX RESOURCES PLC**

*(Incorporated in England and Wales under the Companies Act 1985 – No. 03800208)*

**Proposed re-registration as a private limited company  
(section 97 Companies Act 2006)**

**and**

**Notice of General Meeting**

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Notice of a General Meeting of ZincOx Resources plc (the “**Company**”) to be held in the Fairfax Room of the Washington Mayfair Hotel, 5 Curzon Street, Mayfair, London, W1J 5HE at 2.30 p.m. on Friday, 4 May 2018, is set out at the end of this document. The form of proxy for use at the meeting accompanies this document and, to be valid, should be completed and returned in accordance with the instructions set out thereon as soon as possible but in any event so as to reach Link Market Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 2.30 p.m. on Wednesday, 2 May 2018. In the case of CREST members the form can be submitted electronically. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish.

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### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of forms of proxy	2.30 p.m. on Wednesday, 2 May 2018
General Meeting	2.30 p.m. on Friday, 4 May 2018

*Note:*

Reference to times in this document are to London time unless otherwise stated.

## **DIRECTORS, SECRETARY AND ADVISERS**

### **Directors**

Rod Beddows  
Andrew Woollett  
Donald McAlister  
Gautam Dalal

C/o Suite 4, Crown House  
High Street  
Hartley Wintney  
Hampshire, RG27 8NW

### **Registered Office**

Suite 4, Crown House  
High Street  
Hartley Wintney  
Hampshire, RG27 8NW

### **Corporate Company Secretary**

Wynter Bee Consulting Limited  
Heather Hills  
West End,  
Woking  
Surrey, GU24 9PY

### **Registrar**

Link Market Services  
34 Beckenham Road  
Beckenham  
Kent, BR3 4TU

## PART 1

### LETTER FROM THE CHAIRMAN

# ZINCOX RESOURCES PLC

("ZincOx" or the "Company")

(Incorporated and registered in England and Wales with No. 03800208)

*Directors:*

Rod Beddows  
Andrew Woollett  
Gautam Dalal  
Donald McAlister

*Registered Office:*

Suite 4  
Crown House  
High Street  
Hartley Wintney  
Hampshire  
RG27 8NW

16 April 2018

**Dear Fellow Shareholders,**

In anticipation of the sale of our interests in Vietnam announced on 16 April 2018, your Board has been considering various options by which value may be accelerated for shareholders. In the short term we will continue to pursue our stated recycling strategy by identifying and working up new recycling projects which we will develop ourselves, with others, or sell; as with VRUP. At the same time we have been considering the most efficient ways of returning excess cash to shareholders. Such a course will involve various stages of corporate restructuring that require shareholder approval. This letter sets out the general restructuring plan and the details of the first of these stages.

In line with our original strategy, all our new recycling projects will be designed to incorporate the rotary hearth furnace, Consecutive Metal Leaching and electric melting so as to create a no waste solution to the problem of Electric Arc Furnace Dust. The cost of developing such a project will be about US\$150 million, and our equity contribution would likely involve the raising of US\$70 to US\$80 million. Relative to the cost of the full development; bringing a new project to a stage where it can be financed, partnered or sold as a development proposition, is an inexpensive exercise.

While developing the projects ourselves may be more rewarding financially, it is not without risks and, for a company of ZincOx's size, financing the development will be extremely challenging. A sale might, therefore, be the most likely outcome, it should still be financially attractive. This is evidenced by the recently announced sale of our 49 per cent. interest in the Vietnam project, generating an immediate payment of US\$ 2.8 million and, depending on operational outcomes, further expected potential payments over the next ten years amounting to US\$2.7 million. Your Board is maintaining a keen interest in packaging the projects ready for sale to larger third parties which are better equipped to raise development capital. In the near term, therefore, our work will focus on the identification and packaging of new projects. The cost of packaging projects is modest and the programme we have for the next 12-18 months, during which we will consider at least two new projects, is well within the current funds held by the company. As there is no plan to utilise the balance of the Company's cash the Board has decided to look at the steps which need to be taken to facilitate the possible return to shareholders of that balance. The most economic way of enabling this and minimising ongoing running costs is by re-registering the Company as a private limited company. Once re-registered a capital reduction is planned which could then enable the Company to offer to buy back a certain percentage of shares held by all shareholders.

The aim, subject to the re-registration, would be to seek your authority for the capital reduction and potential buyback at the AGM scheduled for 28 June 2018. This could then enable us to offer to buy back some shares in the third quarter of 2018.

In the event that our efforts to package new projects is unsuccessful, then, having already completed the restructuring we should be in a position without delay to return remaining funds to shareholders or

undertake a corporate transaction, such as being the subject of a takeover and thereby release funds to shareholders more rapidly.

In the event that we feel one or more of the new projects could be financed by the Company, nothing in this re-registration would prevent us later becoming a public limited company again and re-listing the shares, but whilst we are not in a position to re-list, the Board believe that this proposal is the best way for the shareholders to benefit from the funds not currently required by the Company.

Over the next year or so, as we work on new projects we will continue to provide updates to shareholders so that you are appraised of progress. As ZincOx is a public limited company it is subject to the Takeover Code (the “**Code**”), and whilst we are proposing that ZincOx be re-registered as a private company, because it was admitted to AIM, the Code will continue to be applicable until 2 May 2027, ten years after ZincOx ceased to be traded on AIM. However, after 2 May 2027 the Code will cease to apply and would not apply to any offer made to ZincOx shareholders to acquire their ZincOx shares made after 2 May 2027 if the Company is re-registered as a private company.

**ZincOx shareholders should note that if the resolution to re-register the Company as a private company becomes effective they will not receive, after 2 May 2027, the protections afforded by the Code in the event that there is a subsequent offer to acquire their ZincOx shares.**

Brief details of the Takeover Panel (the “Panel”), the Code and the protections given by the Code are described below. **Before giving your consent to the re-registration of the Company as a private company, you may want to take independent professional advice from an appropriate independent financial adviser.**

#### *The Code*

The Code is issued and administered by the Panel. ZincOx is a company to which the Code applies and its shareholders are accordingly entitled to the protections afforded by the Code.

The Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

#### *The General Principles and Rules of the Code*

The Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. For your information, these General Principles are set out in Part 1 of Appendix A. The General Principles apply to all transactions with which the Code is concerned. They are expressed in broad general terms and the Code does not define the precise extent of, or the limitations on, their application. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Code contains a series of Rules, of which some are effectively expansions of the General Principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the Rules are expressed in more detailed language than the General Principles, they are not framed in technical language and, like the General Principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

#### *Giving up the protection of the Code*

A summary of key points regarding the application of the Code to takeovers generally is set out in Part 2 of Appendix A. **You are encouraged to read this information carefully as it outlines certain important protections which you will be giving up in due course (i.e. after 2 May 2027) if you agree to the re-registration of the Company as a private company.**

## Appendix A

### Part 1: The General Principles of the Code

1. All holders of the securities of an offeree company of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected.
2. The holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the bid; where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the company's places of business.
3. The board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the bid.
4. False markets must not be created in the securities of the offeree company, of the offeror company or of any other company concerned by the bid in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted.
5. An offeror must announce a bid only after ensuring that he/she can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.
6. An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

### Part 2: Detailed application of the Code

The following is a summary of key provisions of the Code which apply to transactions to which the Code applies. **You should note that, by agreeing to the re- registration of the Company as a private company, you will be giving up the protections afforded by the Code in due course (i.e. after 2 May 2027).**

#### *Equality of treatment*

General Principle 1 of the Code states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment. Furthermore, Rule 16.1 requires that, except with the consent of the Panel, special arrangements may not be made with certain shareholders in the Company if there are favourable conditions attached which are not being extended to all shareholders.

#### *Information to shareholders*

General Principle 2 requires that holders of securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on a bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

#### *The opinion of the offeree board and independent advice*

The board of the offeree company is required by Rule 3.1 of the Code to obtain competent independent advice as to whether the financial terms of an offer are fair and reasonable and the substance of such advice must be made known to its shareholders. Rule 25.2 requires that the board of the offeree company must send to the offeree company's shareholders and persons with information rights its opinion on the offer and its reasons for forming that opinion. That opinion must include the board's views on: (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and (ii) the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The circular from the offeree company must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings.

Rule 20.1 states that, except with the consent of the Panel or as provided in the Notes on Rule 20.1, information and opinions relating to an offer or a party to an offer must be made equally available to all offeree company shareholders and persons with information rights as nearly as possible at the same time and in the same manner.

#### *Option holders and holders of convertible securities or subscription rights*

Rule 15 of the Code provides that when a Code offer is made for voting equity share capital or other transferable securities carrying voting rights and the offeree company has convertible securities outstanding, the offeror must make an appropriate offer or proposal to the stockholders to ensure their interests are safeguarded. Rule 15 also applies in relation to holders of options and other subscription rights. If the re-registration takes effect, these protections will be lost.

### **General Meeting**

FOR SECURITY REASONS PLEASE LET US KNOW AS SOON AS POSSIBLE IF YOUR INTENTION IS TO ATTEND THIS GENERAL MEETING.

Set out at the end of this document is a notice convening a General Meeting of the Company to be held in the Fairfax Room of the Washington Mayfair Hotel, 5 Curzon Street, Mayfair, London, W1J 5HE at 2.30 p.m. on 4 May 2018, at which 3 resolutions will be proposed:

### **Resolutions 1 and 2 – Re-registration as a Private Limited Company and change of name**

Resolutions 1 and 2 will be proposed as special resolutions:

1. THAT, pursuant to the provisions of section 97 of the Companies Act 2006 the Company be re-registered as a private limited company.
2. THAT, subject to and conditional on the passing of the resolution numbered 1 above, the name of the Company be hereby changed to ZincOx Resources Limited.

### **Resolution 3 – Amendments to Existing Articles**

Resolution 3 will be proposed as a special resolution:

3. THAT, subject to and conditional on the passing of the resolution numbered 1 above:
  - 3.1 the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and
  - 3.2 the Articles of Association set out in the document produced to this meeting and signed by the Chairman of the meeting for the purposes of identification be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company.

### **Action to be taken**

You will find enclosed with this document a form of proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are asked to complete the form of proxy and return it to the Company's Registrars, Link Market Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive as soon as possible, but in any event so as to be received not later than at 2.30 p.m. on 2 May 2018. Alternatively, in the case of CREST members, the proxy can be appointed by using the CREST electronic proxy appointment service, as described in the enclosed notice of the General Meeting. Completion and return of a form of proxy will not preclude you from attending and voting at the General Meeting in person if you wish.

FOR SECURITY REASONS PLEASE LET US KNOW AS SOON AS POSSIBLE IF YOUR INTENTION IS TO ATTEND THIS GENERAL MEETING.

**If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.**

### **Recommendation**

Your Board considers the passing of the Resolutions to be proposed at the General Meeting of the Company to be in the best interests of the Company and its Shareholders as a whole.

Accordingly your Directors unanimously recommend that Shareholders vote in favour of the Resolutions set out in the notice of General Meeting at the end of this document, as they intend to do, in respect of their own beneficial holdings which amount to a total of 10,505,992 Ordinary Shares (representing 4.37 per cent. of the existing issued ordinary share capital of the Company as at 13 April 2018, the last practicable day prior to publication of this document).

Yours sincerely

Dr Rod Beddows  
**Non-Executive Chairman**



## PART 2

### DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

<b>“AGM”</b>	the Annual General Meeting to be held on 28 June 2018
<b>“Amended Articles”</b>	the articles of association of the Company as amended following the passing of Resolution 2 at the General Meeting, further details of which are set out in Part I of this document
<b>“Articles”</b>	the Existing Articles or the Amended Articles, as the context requires
<b>“Board of Directors”, “Board” or “Directors”</b>	the Directors of the Company as at the date of this document
<b>“Business Day(s)”</b>	any day on which banks in London are open for business (excluding Saturdays, Sundays and public holidays)
<b>“Circular”</b>	this document
<b>“Code”</b>	The Takeover Code
<b>“Company” or “ZincOx”</b>	ZincOx Resources plc
<b>“Companies Act”</b>	the Companies Act 2006
<b>“CREST”</b>	the computerised settlement system (as defined in the Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
<b>“CREST member”</b>	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations)
<b>“CREST participant”</b>	a person who is, in relation to CREST, a system-participant (as defined in the Regulations)
<b>“Existing Articles”</b>	the articles of association of the Company as at the date of this document
<b>“Form of Proxy”</b>	the form of proxy which accompanies this document for use in connection with the General Meeting
<b>“General Meeting”</b>	the general meeting of the Company to be held at 2.30 p.m. on 4 May 2018, notice of which is set out at the end of this document
<b>“Group”</b>	the Company and its subsidiary undertakings
<b>“Korea Zinc”</b>	Korea Zinc Company Limited
<b>“Ordinary Shares”</b>	ordinary shares of 1 penny each in the capital of the Company
<b>“Panel”</b>	the Takeover Panel
<b>“Resolutions”</b>	the resolutions set out in the notice of General Meeting at the end of this document
<b>“Rules”</b>	the Rules set out in Appendix A
<b>“Shareholders”</b>	holders of Ordinary Shares in the capital of the Company
<b>“VRUP”</b>	The Vietnam Recycling and Upgrading Project recently sold to Korea Zinc

## Notice of General Meeting

**NOTICE IS HEREBY GIVEN** that a **GENERAL MEETING** of ZincOx Resources plc (the “**Company**”) will be held in the Fairfax Room of the Washington Mayfair Hotel, 5 Curzon Street, Mayfair, London, W1J 5HE at 2.30 p.m. on Friday, 4 May 2018, for the purpose of transacting the following business:

To consider and, if thought fit, pass the following resolutions, which will be proposed as special resolutions.

1. **THAT**, pursuant to the provisions of section 97 of the Companies Act 2006 the Company be re-registered as a private limited company.
2. **THAT**, subject to and conditional on the passing of the resolution numbered 1 in the notice convening a meeting to be held on 4 May 2018, the name of the Company be hereby changed to ZincOx Resources Limited.
3. **THAT**, subject to and conditional on the passing of the resolution numbered 1 in the notice convening a meeting to be held on 4 May 2018:
  - 3.1 the Articles of Association of the Company be amended by deleting all the provisions of the Company’s Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company’s Articles of Association; and
  - 3.2 the Articles of Association set out in the document produced to this meeting and signed by the Chairman of the meeting for the purposes of identification be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company.

**Registered Office:**

Suite 4  
Crown House  
High Street  
Hartley Wintney  
Hampshire  
RG27 8NW

**By Order of the Board**

**Wynter Bee Consulting Ltd**  
Corporate Company Secretary

16 April 2018

*Notes*

Any member entitled to attend and vote at the Meeting may appoint one or more proxies (who need not be a member of the Company) to attend and, in the event of a poll, to vote instead of the member. Shareholders will receive a Form of Proxy with this document. Completion and return of a Form of Proxy will not preclude a member from attending and voting at the meeting, or any adjournment thereof, in person.

In order to be valid, any Form of Proxy and a power of attorney or other authority under which it is signed must reach the Company’s Registrar, Link Market Services, PXS, 34 Beckenham Road, Beckenham BR3 4TU by 2.30 p.m. on 2 May 2018, not less than 48 hours (excluding any part of a day which is a non-working day) before the time of the General Meeting and in default will not be treated as valid. Alternatively, Shareholders may submit their proxy votes electronically using the Share Portal service at [www.signalshares.com](http://www.signalshares.com)

Shareholders requiring any assistance should call Link Market Services on 0871 664 0300. Calls cost 12p per minute plus your phone company’s access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

Please note that Link Market Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

In the case of joint holders, the signature of only one of the joint holders is required on the Form of Proxy but the vote of the first named on the register of members of the Company will be accepted to the exclusion of the other joint holders.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. Link Market Services participant ID is RA10. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent by 2.30 p.m. on 2 May 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the time when stamp was applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by the enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 specifies that only those Shareholders registered in the register of members of the Company as at close of business on 2 May 2018 (or if the General Meeting is adjourned, Shareholders registered in the register of members of the Company not later than 48 hours excluding any part of a day which is a non-working day, before the time fixed for the adjourned General Meeting) shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after the relevant times shall be disregarded in determining the rights of any person to attend or vote at the meeting.

The total number of Ordinary Shares in issue as at 13 April 2018, the last practicable day before printing this document, was 240,413,419 Ordinary Shares and the total level of voting rights was 240,413,419, none of which were attached to Shares held in treasury by the Company.

