

**ZincOx Resources plc signs zinc mine  
Exploitation Contract with the Government of Yemen**

26 October 2005

ZincOx Resources plc (ticker: ZOX) is pleased to announce that its 60% subsidiary company, Jabal Salab, has signed an Exploitation Contract with the Geological Survey and Mineral Resources Board (GSMRB) representing the Government of Yemen, to mine and process zinc at the Jabali deposit. The Jabali zinc oxide deposit is located 110km north east of Sana'a, the capital of Yemen, and contains a resource, calculated in accordance with the JORC code of 12.6 million tonnes of ore at a grade of 8.9% zinc, 1.2% lead and 68grams/tonne silver.

Andrew Woollett, Managing Director of ZincOx, commented: "The Jabali deposit was discovered in the early 1980s but it has not been developed until now because of the complex mineralogy. Once again it is the metallurgical expertise at ZincOx which will allow us to realise the potential of this attractive resource for the benefit of our shareholders, our partners and the people of Yemen."

The Exploitation Contract is subject to the approval of the Cabinet and Parliament, which is expected during the first quarter of 2006. It will then be ratified by the President of Yemen and incorporated in law. It sets out the terms under which Jabal Salab can mine and process zinc from the deposit. These include a 20 year lease, a 1.5% net smelter return Royalty, a tax holiday of six years and repayment of past costs incurred by the GSMRB of US\$5million commencing in the fourth year. The terms do not differ materially from those assumed in the Feasibility study completed earlier this year (see Press Release dated 15 March 2005).

The Feasibility Study, which was completed by ZincOx and MDM, a firm of mineral engineers from South Africa, was based on the mining and processing of 800,000 tonnes per annum of ore at a mined grade of 9.2% zinc over a life of 11 years. There is potential to increase the ore resource as the deposit is open on two sides.

Mining will be by means of an open pit with a waste to ore strip ratio of 2 to 1. The ore will be treated by the LTC process developed by ZincOx and its consultants and piloted, using Jabali ore, at an independent laboratory in Belgium. The plant is expected to recover 77% of the zinc for the production of approximately 70,000 tonnes per annum of high quality zinc oxide, containing more than 99% zinc oxide. The quality of the final product will allow Jabal Salab to sell direct to end users of zinc oxide, thereby benefiting from a premium price.

The capital cost of developing the mine, processing plant, infrastructure and associated facilities is estimated at US\$75.4million.

Scott Wilson Mining, a UK based firm of mineral consultants has prepared an environmental impact study in accordance with guidelines set down by the World Bank. The report has already been approved by the Yemen Environment Protection Authority, thereby satisfying all environmental permitting requirements.

ZincOx has been approached by various banks with the aim of providing project finance for the development of Jabali. Export credit agency political and commercial risk cover is available for Yemen which will greatly assist the arrangement of finance.

The progress now made with the Exploitation Contract will allow ZincOx to press ahead with its plans for project finance which is the next phase of the project's development. It is expected that

financing will be in place during the third quarter of 2006, with construction, which will take 18 months, starting shortly thereafter.

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