

25 January 2010



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

### **Jabali Debt Financing Settlement**

ZincOx is pleased to confirm that a final settlement has been signed by the Company's 52% owned Jabal Salab Company (Yemen) Limited ("Jabal Salab") and the holders of the \$120 million bond that was raised for the construction of the Jabali mine and plant in Yemen ("Project").

The settlement is based on the agreement in principle that was reached with the majority of bond holders on 9 December 2009. The terms of the agreement are that in return for the funds in the Jabal Salab accounts and an additional payment of US\$10 million (US\$5.2m from ZincOx and US\$4.8m from Ansan Wifks, the 48% shareholder of Jabal Salab), the security over the shares in Jabal Salab will be released by the bond holders and the bonds terminated along with all rights attaching to them, including the ZIPPO bonus payments that were linked to increases in the zinc price. This agreement followed the announcement on 2 October 2009 that a default event had occurred under the bond facility.

Now that the settlement has been finalised, the security over the Project can be released enabling new financing to be put in place. Ansan Wifks and ZincOx are working together to secure funding in order to complete the Project with the minimum of delay. Project development is continuing albeit at a reduced rate pending the refinancing of the Project.

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