

## **ZincOx Commences Zinc Recycling Feasibility Study in the United States**

- Strategic alliance with major industry participant
- Feed supply secured in North America
- Feasibility study for development of new plant expected Q4, 2005

ZincOx Resources plc (“ZincOx”, symbol “ZOX”) announces the first steps towards developing a new zinc recycling plant in the United States.

The company has entered into a strategic alliance with Envirosafe Services of Ohio, Inc. (“ESOI” see below) through a cooperation agreement to complete a comprehensive feasibility study for the development of a new plant to recover zinc from waste material, electric arc furnace dust (EAFD), produced by steel recycling. Under the terms of the agreement, ESOI will arrange for and deliver sufficient volumes of EAFD to serve as feed stock for the new plant, and will be responsible for properly managing the disposal of plant residue. ESOI is North America’s largest landfill disposal company for EAFD.

Commenting on the announcement today, Andrew Woollett, ZincOx’s managing director said “Under this agreement ZincOx will have immediate access to sufficient feed for our first North American operation and will in addition benefit from the experience of our partner who will take responsibility for managing the secure disposal of residue from the plant. By effectively obtaining zinc feedstock for little or no cost we expect to produce zinc/zinc oxide significantly more cheaply than existing operations”

ZincOx and ESOI are working together to complete a feasibility study for the recovery plant by the end of 2005. The plant will be strategically located in the Midwestern United States and will either produce special high-grade zinc metal or high purity zinc oxide, at a rate of about 25,000 tonnes per annum of contained metal. Preliminary economic studies have been carried out on each option and both show low operating costs.

ZincOx specializes in processing technologies for the recovery of zinc from non-sulphide materials. While the original focus of the company was on primary mineral deposits, it is increasingly concentrating on processing zinc bearing waste materials. This announcement describes the second part of a global strategy for the recovery of zinc from steel recycling waste, the first being a Turkish project announced on the 29<sup>th</sup> November 2004. Under this global strategy the company is actively pursuing similar development concepts in Western Europe and Asia. In addition, the company is actively piloting new equipment for the recovery of zinc from waste produced by lead smelters.

### **For more information please contact:**

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### **Notes**

The production of steel by recycling scrap iron involves high temperature re-melting in Electric Arc Furnaces, referred to as mini-mills in North America. More than half of the steel currently produced in the United States uses Electric Arc Furnaces. During re-melting of scrap, zinc and other base metals are driven off in the flue gasses as oxides and are collected as a hazardous waste dust in the steel mill's air pollution control system. Government regulations in the United States require that this dust, referred to as EAFD, be managed according to strict rules which ensure the protection of the environment and public health.

ESOI is one of the largest suppliers of EAFD management services to the United States steel industry, primarily through a fully permitted treatment and disposal facility in northwest Ohio. ESOI's patented technology is currently used to manage nearly 30% of all EAFD produced in the United States, most of which is received at its Ohio location in rail or truck transportation managed by ESOI. The Company maintains a sophisticated transportation tracking system, and a fleet of dedicated sealed railcars. ESOI's expertise in managing EAFD, its familiarity with the North American steel producers, and the Company's extensive knowledge of regulatory systems in the United States will greatly facilitate the development of the project.