

Yemen parliament approves contract for development of Jabali zinc mine

ZincOx Resources plc ("ZincOx" – ticker symbol ZOX), announces that the Yemen parliament has approved the terms and conditions for the development and exploitation of the Jabali zinc deposit (the "Exploitation Contract"). This is the first large scale mining licence ever to be granted in the country.

The Exploitation Contract is an agreement between the Ministry of Oil and Minerals, representing the Government of Yemen, and Jabal Salab Company (Yemen) Limited ("Jabal Salab"), in which ZincOx holds a 52% interest and Ansan Wikfs (Yemen) Limited, a company controlled by prominent Yemeni businessmen, holds 48%. The Contract is an Act of Parliament and will be incorporated into the law in Yemen.

Andrew Woollett, Chairman of ZincOx, said, "This is a major step forward, not only in the development of Jabali but also of the mining industry in Yemen. ZincOx, as Manager of Jabal Salab, plans to commence construction of the mine and associated facilities as soon as finance is in place."

The Jabali deposit is located 100km north east of Sana'a, the capital city. The deposit contains a measured and indicated JORC resource of 10.8 million tonnes at 8.7% zinc, 1.2% lead and 68 grams per tonne of silver with an inferred JORC resource of 1.8 million tonnes at 9.4% zinc, 1.2% lead and 71 grams per tonne of silver. The deposit is expected to be mined at the rate of 800,000 tonnes per annum of ore for the production of approximately 70,000 tonnes per annum of high quality zinc oxide.

The capital cost of developing the project, including contingencies and working capital, is estimated at \$176 million. Discussions with respect to a financing facility, which is being structured and arranged by the London-based investment banking boutique, Exotix Limited, are at an advanced stage. Production is scheduled to begin in the middle of 2009.

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