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ZINCOX RESTRUCTURES AMERICAN INTERESTS TO CONCENTRATE ON ADVANCED PROJECTS

ZincOx Resources plc ("ZincOx") (Ticker: ZOX), a world leader in the processing of zinc oxide deposits, today increased its stake in Canadian listed Redhawk Resources Inc ("Redhawk") up to a maximum of 25.55% by selling its rights and obligations in the Remac and Torlon zinc projects and by taking part in a placing of new shares.

Commenting on the announcement, Andrew Woollett, ZincOx's Managing Director said: "We have been reviewing the management of our existing projects in light of new and more advanced projects that are under consideration. Our interests in North and Central America, while highly prospective, are only at the exploration stage, and best consolidated under the management team at Redhawk who have considerable local exploration and development experience".

Redhawk, which is listed on the CDNX in Vancouver, is ZincOx's partner in both the Remac and Torlon projects. The transaction means ZincOx will become the largest shareholder in Redhawk, increasing its current holding from 17.8% to a possible 25.55% on a fully diluted basis, as detailed below, with Redhawk obtaining a 100% interest in both projects.

The Remac project in southern British Columbia has the potential for 5 million tonnes of oxide ore at a zinc grade of 10%, with the potential for a similar amount of zinc metal contained in deeper sulphide mineralisation. A drilling programme is required to test the continuity of ore between near surface sampling and deeper old mine workings.

The Torlon project in Guatemala is an exploration project around the site of small underground workings and extensive surface mineralisation that is well exposed and continuous over several hundreds of metres. Drilling is now required to test the ore zone at depth in order to determine the tonnage and grade for the deposit.

Under the terms of the transaction, ZincOx will be issued 250,000 new Redhawk shares and will purchase an additional 357,000 new shares by means of a private placement at a price of Cdn\$0.35 per share. Warrants over 600,000 shares will also be granted which may be exercised at any time over a four year period for Cdn\$0.35 per share for the first two years or at Cdn\$0.50 per share thereafter. The transaction is subject to Canadian regulatory approval which is expected within the next 30 days. Assuming, full exercise of all the warrants issued to ZincOx, the Company would own 25.55% of Redhawk's fully diluted ordinary share capital.

Mr Woollett added: “We see Redhawk as a vehicle for the pursuit of certain opportunities in North and Central America with ZincOx leading the development of metallurgical processes for these projects and any others that Redhawk may obtain.”

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