

EXOTIX LIMITED

EXOTIX ARRANGES AND PLACES FINANCING FOR JABAL SALAB COMPANY (YEMEN) LIMITED

ZINCOX SUBSIDIARY SIGNS \$120 MILLION LOAN FACILITY WITH INNOVATIVE KICKER LINKED TO ZINC PRICE

'ZIPPO' IS FIRST TRADABLE INSTRUMENT FOR A METAL RELATED TRANSACTION

FINANCING WILL BE APPLIED TO DEVELOP ZINC MINE IN YEMEN

(London – 14th January 2008) Exotix Limited, the frontier emerging markets investment banking boutique, has arranged a groundbreaking \$120 million project financing deal for ZincOx Resources plc (“ZincOx” – trading symbol ZOX) and their partner Ansan Wikfs Investments Limited (“Ansan”) to fund the first major minerals extraction operation in the Yemen in recent times. The facility agreement (“the Facility”) arranged by Exotix Limited provides the Yemen project with US\$120 million of senior secured debt finance through a limited-recourse high yield bond and associated “kicker” arrangement, linked to the international zinc price.

The Facility will be taken up by a number of emerging market and hedge funds through a special purpose vehicle. It has a term of six years with a three year grace period on principal. It pays interest of 11.5%, partially capitalised during the construction phase.

The debt will be issued together with a separate instrument that provides investors with further potential payments related to the zinc output from the mine and the international zinc price. The kicker, dubbed the “ZIPPO” - zinc indexed price payment obligation - is tradable, and is the first such instrument for a metal-related transaction. The ZIPPO amounts to US\$0.16 for each dollar that the average annual international zinc price is above US\$1,300 per tonne on every tonne of zinc in the output of Jabal Salab.

The Facility, which will be used by ZincOx's 52%-owned subsidiary, Jabal Salab Company (Yemen) Limited (“Jabal Salab”), to develop its zinc deposit in Yemen, was structured and arranged by Exotix Limited, an investment banking specialist in emerging markets, with a strong focus on Africa and the Middle East.

Andrew Woollett, Chairman of ZincOx said:

“This innovative transaction enables us to finance our Jabali mine development on a well priced, limited-recourse basis, thereby leaving us free to fund our other projects elsewhere in the world. The Jabali mine development programme has already started with the ordering of long lead-time items of equipment, the building of our development team and the delivery of mining equipment. All the necessary permitting is in place and we expect development of the site to commence shortly.”

Peter Bartlett, Managing Director of Exotix, said:

“We are delighted to have been able to arrange and place a well priced, genuinely groundbreaking structured debt facility for ZincOx and Ansan's Yemeni zinc oxide mine. There are numerous challenges involved in structuring deals in frontier countries such as Yemen, which is poorly researched, has no sovereign debt rating and where there is little political risk insurance available at viable rates. This deal was no exception.

‘Furthermore, the Facility represents a very viable alternative funding route, which may serve as a template for other emerging market projects seeking overall much less cumbersome and costly financing than traditional bank project finance.

‘The ZIPPO is the first tradable instrument of its type to be launched for a metal-related transaction, and represents a significant expansion in the range of financing options available to projects in frontier emerging markets.

'Our experience shows us that there is strong demand for exotic investments, and these innovative structures offer new opportunities to a wider pool of investors'.

The financing is expected to close before 19 February 2008 on the satisfaction of all conditions precedent.

For more information please contact:

Michael Foster, ZincOx Resources plc
Tel (Direct) : +44 (0) 1276 450100
mfoster@zincox.com

John Harrison/Nick Stamp, Numis Securities
Tel (Direct): +44 (0) 20 7260 1000

Charlie Geller/ Ed Portman, Conduit PR
Tel (Direct) : +44 (0) 20 7429 6604
Tel (Mobile): +44 (0) 7970 067 320

Peter Bartlett, Exotix
Tel: +44 (0) 20 7532 4561
peter.bartlett@icap.com

Anthony Payne/ Max Hilton, Peregrine Communications
Tel (Direct): +44 (0) 20 7822 2302
Tel (Mobile): +44 (0) 7930 643 983
anthony.payne@peregrinecommunications.co.uk

NOTES TO EDITORS

About the Jabali deposit:

The Jabali deposit is located 100 km north east of Sana'a, the capital of Yemen. It contains a geological resource of 12.6 million tonnes with a zinc grade of 8.9%, but the ore body remains open at depth and on two sides so there is potential to extend the mine life by the discovery of additional reserves.

The deposit will be mined by open pit methods over a period of 12 years at the rate of 800,000 tonnes per annum of ore, for the production of 70,000 tonnes per annum (56,000 tonnes zinc contained) of high quality zinc oxide. Almost all zinc mines around the world sell an intermediate concentrate for sale to a conventional zinc smelter at a discount to the value of the zinc metal contained; Jabali, however, will sell its high quality product directly to end users in the ceramics and rubber industries at a premium to the value of the zinc contained.

Development of the mine, the on-site processing plant and related infrastructure, is estimated to take 22 months. The projected total cost of US\$ 216 million is made up of capital and working capital cost of US\$198 million plus \$18 million of financial security guarantees, of which US\$19 million has already been spent. A contract for the engineering, procurement and construction management of the plant has been entered into with SNC Lavalin Europe, based in Brussels. The first zinc oxide should be produced before the end of 2009.

The bond will provide 56% of the total cost, the balance will be provided as equity by the shareholders of Jabal Salab, so that ZincOx's equity share is US\$40 million, including financial security requirements. ZincOx currently has cash reserves of US\$51 million following receipt of the deferred payment instalment related to the sale of the Shaimerden deposit in Kazakhstan.

In July 2007, Jabal Salab signed an Exploitation Contract for the mine's development with the Ministry of Oil and Minerals. The Contract has been approved by the Yemeni Parliament and was ratified as a law by the President of Yemen on 14 August. The Exploitation Contract sets out all the terms and conditions for mining the deposit over a 20-year term

and includes a six year tax holiday. It is the first of its kind in Yemen. The Yemen Government is keen to attract further international exploration and mining companies to the country where there are ample opportunities in what is a relatively under-explored but attractive geological environment,

About Exotix www.exotix.co.uk

Exotix is a securities firm specialising in broking illiquid loans, equity and bonds, boutique investment banking and Emerging Market alternative investments. Exotix's core competence is a well researched specialist understanding of illiquid, distressed, or undervalued debt while it also grows its business in new product areas such as equities, structuring, advising and placing emerging market investments, particularly with the recent launch of its Sub-Saharan Africa and Middle Eastern stock-broking platform.

Based in different cities throughout the world: London, New York, Buenos Aires, Sao Paulo and Tokyo, Exotix is recognised as a market leader in distressed debt of certain African and Latin American countries and several other esoteric markets such as Cuba, Bosnia and North Korea. A broad research capability underlies all Exotix's unique specialist expertise.

Exotix has a global client base largely comprising of hedge funds, asset managers, banks and other institutional investors interested in emerging markets investments.