



ZincOx Resources Limited

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Dear ZincOx Shareholder,

I am writing to update you of certain decisions the Board is recommending about the future of ZincOx.

Over the course of the last 18 months our Spanish project proceeded more quickly than Japan and we, therefore, focused on Spain. At the beginning of the year we completed the project design, engineering and costing as well as a detailed economic model. Whilst this Spanish project has strong economics, the development cost of €143 million is considered to be high for a recycling plant. Over the past nine months Andrew has made exhaustive efforts to find finance, involving contacts with mining companies, resource funds, equity providers, private equity and venture capital funds specialising in impact investments and recycling. This search was always going to be challenging given the capital intensive nature of the projects and the innovative technology involved, but the economic upheaval caused by the outbreak of Covid-19 means that it is very unlikely that the projects could be financed in the foreseeable future.

The Board is hugely appreciative of Andrew's considerable efforts to complete the project study and to find the development finance for Spain and whilst there has been some encouragement from a small number of potential investors there has been nothing sufficiently concrete to give the Board confidence that funding can be secured.

Korea Zinc Company Ltd recently approached the Company with an offer to buy our recycling technology and the deferred payments due from the Vietnam project, for the sum of USD5.5m.

After careful consideration of current circumstances and of all the options open to the Company, the Board agreed to accept Korea Zinc's offer on the basis that this will provide the only certain and reasonably rapid benefit for shareholders.

As the rotary hearth furnace (RHF) and consecutive metal leaching (CML) technology has been sold to Korea Zinc, the Company does not have a core process on which to base its future. The Board has, subject to shareholder approval, therefore, agreed that, following the transaction with Korea Zinc, it is in the best interests of shareholders for the Company to be liquidated and for the cash and the eleven million shares that we hold in Moxico to be distributed to shareholders by way of a Members Voluntary Liquidation.

After considering the costs involved with closing the Company, the Board believe there is likely to be a distribution to shareholders of approximately 2.3p per share together with 1 Moxico Resources plc share for every 15.5 ZincOx shares held.

Moxico is a company in which we invested in October 2017 at a share price of 6p. Since that time, it has grown considerably and has raised equity most recently at 24p. Moxico intends to seek a listing for its shares on a major stock exchange in the first half of 2021. For further details about Moxico please visit its website www.moxicoresources.com.

As ZincOx is now entering a winding up phase and to reduce overheads, Andrew has agreed to step down. However, I know that he is happy to talk to any shareholder about the Board's decision and please feel free to telephone the Company so that you can be put through to him. The Board would like to take the opportunity of thanking Andrew for his efforts over the past 23 years in the running of ZincOx and the development of the RHF technology for the treatment of EAFD.

There will be a general meeting for shareholders to vote on a Members Voluntary Liquidation in order to finalise the plans set out above. We expect this general meeting to take place in December.

Yours sincerely,

Gautam Dalal
Chairman