



**Companies House**

**MR01**(ef)

**Registration of a Charge**

Company name: **ZINCOX RESOURCES PLC**

Company number: **03800208**

Received for Electronic Filing: **07/08/2013**



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**Details of Charge**

Date of creation: **30/07/2013**

Charge code: **0380 0208 0006**

Persons entitled: **ERHAN SEYFI MOROGLU**

Brief description: **FIRST PRIORITY PLEDGE OVER 99.996 NUMBER OF SHARES, EACH WITH A NOMINAL VALUE OF TRY 1, HELD BY ZINCOX RESOURCES PLC IN ZINCOX ANADOLU CINKO SANAYI VE TICARET ANONIM SIRKETI AND ALL DIVIDENDS, DISTRIBUTIONS, INTEREST AND OTHER INCOME PAID OR PAYABLE ON ANY SHARE (INCLUDING, WITHOUT LIMITATION, ALL SUCH ACCRUED AND FUTURE RIGHTS).**

**Contains fixed charge(s).**

**Notification of addition to or amendment of charge.**

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**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT  
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION  
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **HOWARD BARRIE**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 3800208

Charge code: 0380 0208 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th July 2013 and created by ZINCOX RESOURCES PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th August 2013 .

Given at Companies House, Cardiff on 7th August 2013



Companies House



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

**ZINCOX RESOURCES PLC**  
as Pledgor

**ZINCOX ANADOLU ÇİNKO SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
as Turkish Obligor

in favour of

**ERHAN SEYFİ MOROĞLU**  
as PLEDGEE

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**SHARE CHARGE**

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## SHARE CHARGE

THIS SHARE CHARGE (the "Share Charge" or the "Agreement") is made on 30.07.2013 by and among ZincOx Resources Plc., a company organized and existing under the laws of England and Wales with registry number 03800208, having its principal place of business at Knightway House, Park Street, Bagshot, Surrey GU19 5AQ, England (the "Issuer" or the "Pledgor"), ZINCOX ANADOLU ÇİNKO SANAYİ VE TİCARET ANONİM ŞİRKETİ, a joint stock company (*anonim şirket*) organized and existing under the laws of the Republic of Turkey, with registered number 552543 having its principal place of business at İstiklal Caddesi No:142 Odakule Kat 12, Beyoğlu, İstanbul (the "Turkish Obligor"), and, ERHAN SEYFİ MOROĞLU (Turkish ID Number: 13166914708) (the "Security Agent") on the other side.

The Pledgor and the Security Agent shall be hereinafter referred to collectively as the "Parties" and individually as a "Party".

Unless otherwise defined in this Agreement, all capitalized terms have the meanings given to them in the Note Subscription Agreement, and for the purposes of this Agreement, "TRY" means the currency of the Republic of Turkey.

## RECITALS

- A. The Issuer has entered into a note subscription agreement dated on or about the date hereof with the Subscribers (as defined therein) and the Turkish Obligor (the "Note Subscription Agreement").
- B. As provided in the Note Subscription Agreement, the Issuer will constitute and issue certain notes which are subject to the Note Conditions (as defined therein), with a denomination of GBP 25.000 each. The aggregate principal amount of the such notes is GBP 4.200.000. The Security Agent is entitled to act as an entitled creditor under the Notes to be able to carry out fiduciary agency obligations contained hereunder.
- C. This Share Charge has been entered into by and between the Issuer and the Security Agent (in its capacity as security agent acting for, and on behalf of, the Subscribers) to establish a first priority pledge over 99.996 number of shares, each with a nominal value of TRY 1, held by the Issuer in the Turkish Obligor (the "Charged Shares") in favor of the Security Agent in accordance with the terms and conditions below, in order to secure all indebtedness and all obligations or liabilities of any kind which may now or at any time in the future be due, owing or incurred by each Obligor to the Subscribers (or any of them) and the Security Agent (as applicable) under the Note Subscription Agreement and the other Transaction Documents (other than the Warrant Instrument and the Warrants) to which such Obligor is a party (including this Agreement), whatever their nature or basis, in any currency or currencies and however they are described (the "Secured Obligations"), and in order to remain in force until the Share Charge is released in accordance with the provisions of this Agreement or the Note Subscription Agreement.

**NOW THEREFORE**, in consideration of the mutual promises and covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged;

**THE PARTIES HEREBY AGREE AS FOLLOWS:**

**1. COVENANT TO PAY**

The Pledgor hereby, in its capacity as primary obligor, covenants with the Security Agent that it will pay, discharge and perform the Secured Obligations in accordance with the terms of the Note Subscription Agreement and all other Transaction Documents (as applicable).

**2. SECURITY INTEREST**

The Pledgor hereby irrevocably and unconditionally establishes and grants to the Security Agent, as a continuing security for the fulfilment, discharge and payment in full of the Secured Obligations, a first-degree, first-ranking pledge on and security interest over the Pledgor's rights, title and interest in and to the Charged Shares and all dividends, distributions, interest and other income paid or payable on any Charged Share (including, without limitation, all such accrued and future rights). The pledge and the security interest created hereunder and described in this Article 1 shall hereinafter be referred to as the "Charge".

**3. ENFORCEMENT**

- 3.1. The Charge shall become enforceable if an Event of Default under the Notes has occurred or if the Pledgor fails to meet any obligations under this agreement.
- 3.2. The enforcement of the Charge under this Agreement shall be as determined under the security agency agreement entered into on or around the date hereof executed by and among the Security Agent and the Subscribers (the "Security Agency Agreement").

**4. UNDERTAKINGS BY THE PLEDGOR**

- 4.1. The Pledgor:
- (a) undertakes to cause that (i) a board resolution shall be taken by the board of directors of the Turkish Obligor approving the establishment of the Charge over the Charged Shares and resolving on the registration of the Charge with the share ledger of the Turkish Obligor, (ii) the Charge over the Charged Shares shall be registered with the share ledger of the Turkish Obligor, and (iii) the notarized copies of the board resolution mentioned in (i) above and the relevant pages of the share ledger indicating the registration of the Charge as mentioned in (ii) above shall be delivered to the Security Agent in notarized translated form; and
- (b) undertakes to duly deliver to the Security Agent to keep for account of the Subscribers in return of an acknowledgement of receipt deed the following: (i) notarized copies of the

relevant pages of the share ledger of the Turkish Obligor on which Share Charge has been annotated, and (ii) share transfer forms or other documents required to enable the Security Agent to carry out the necessary efforts to have the Charged Shares auctioned as per Clause 4.2.

- 4.2. The Pledgor agrees and acknowledges that if an Event of Default occurs, the Security Agent shall, subject to the Security Agent Agreement, be entitled to have the Charged Shares sold by way of public auction in accordance with the applicable provisions of the Code on Bankruptcy and Execution of the Republic of Turkey (Code No. 2004) or by way of private auctions at the Pledgor's expense, as applicable.

## 5. REPRESENTATIONS AND WARRANTIES

- 5.1. As of the date of this Agreement, the Pledgor hereby represents and warrants the following:

- (a) the Pledgor has full power and authority to enter into and perform the obligations set forth under this Agreement and has duly executed and delivered this Agreement;
- (b) as of the date of this Agreement, the Pledgor is the sole registered and lawful owner of, and has full title to the Charged Shares (and all of the rights derived therefrom) free and clear of any security interests, options, other charges or encumbrances except for the Pledge established by this Agreement and there are no claims of any kind of a third party at the date of this Agreement relating to the Charged Shares;
- (c) the Charged Shares are at the date of this deed the only shares legally and beneficially owned by it in Turkish Obligor and represent 99.996% of the entire issued share capital of the Turkish Obligor;
- (d) there are no corporate actions or other similar insolvency type events or proceedings under any relevant applicable law affecting either the Pledgor and/or the Charged Shares;
- (e) there are no actual or threatened legal proceedings, court orders or disputes of any nature whatsoever affecting either the Pledgor and/or the Charged Shares;
- (f) the Pledgor has obtained all necessary consents, approvals, authorisations and permissions under relevant applicable law to enter into, and perform, its obligations in full pursuant to this Agreement;
- (g) the Pledgor has not sold or disposed of, agreed to sell or dispose of, any of the Charged Shares (and any of the rights derived therefrom).
- (h) The Security Agent is hereby recognized by the Pledgor as an independent creditor fully entitled to exercise all rights under the Security Documents and qualified as a creditor several to the Subscribers. The Issuer, the Pledgor and the Turkish Obligor as defined in the Note Subscription Agreement warrant and represent that this construction of the Security Agent as a

parallel and several creditor is fully compatible with Turkish law in respect registration of the Security Agent as a creditor in respect of the Transaction Documents. In this respect, the fulfilment of Transaction Documents and payments thereunder towards the Security Agent will result in automatic decrease in the amount payable towards the Subscribers under the Transaction Documents.

- (i) The Pledgor as at the date of this Agreement repeats its representations and warranties for the purposes hereof given under Schedule 3 of the Notes Subscription Agreement.

## 6. COVENANTS OF THE PLEDGOR

- 6.1. The Pledgor shall, unless the Security Agent and each Subscriber shall otherwise previously consent in writing:

- (a) promptly upon becoming aware, notify the Security Agent immediately of any claims raised by third parties, including any communication or request for attachments, or any other lien or claim, raised by any person, in relation to the Charged Shares, and deliver to the Security Agent a copy of each notice or other communication received by the Pledgor in respect of the Charged Shares;
- (b) not take or omit to take any action which would adversely affect the value of the security provided under this Pledge or the validity of the Pledge or its enforceability by the Security Agent;
- (c) at its sole cost and expense and in consultation with the Security Agent, defend the Security Agent's right and security interest in and to the Charged Shares (and the rights derived therefrom) against the claims of any person;
- (d) not sell or transfer the benefit of the Pledgor's right and any interest in and to the Charged Shares or any part thereof without the Security Agent's consent;
- (e) deliver upon receipt copies of any notices received in relation to the Charged Shares;
- (f) procure that the Turkish Obligor shall not allot or issue, nor grant any option or right to subscribe for any shares of the Turkish Obligor or other securities convertible into shares of the Turkish Obligor and shall procure that the Turkish Obligor shall not otherwise alter its share capital, whether by any redemption, repurchase or reduction or otherwise;
- (g) on the permitted issue of any further shares by the Turkish Obligor to the Pledgor, to enter into a pledge over such shares on the same terms as this agreement in favour of the Security Agent as soon as possible;
- (h) not, and shall procure that the Turkish Obligor shall not, create or permit to subsist any mortgage or other security interest whatsoever upon the whole or any part of its assets, present



or future (including any uncalled capital) or its undertaking contrary to the Note Subscription Agreement.

- 6.2. The Pledgor and the Turkish Obligor shall take any other action requested by the Security Agent to ensure the attachment, perfection and first degree, first-ranking and priority of, and the ability of the Security Agent to protect or enforce the security interest granted herein over the Charged Shares including (a) complying with any provision of any law, statute, regulation or treaty of the Republic of Turkey as to the Charged Shares if compliance with such provision is a condition to the attachment, perfection or priority of, or the ability of the Security Agent to enforce, the security interest in the Charged Shares; (b) obtaining governmental and other third party consents and approvals, including any consent of any licensor, lessor or other person obligated under or in relation to the Charged Shares; and (c) taking all actions required by the laws of the Republic of Turkey.
- 6.3. Notwithstanding the above, except following the occurrence of an Event of Default which is continuing, voting rights over the Charged Shares shall belong to and shall be solely exercised by the Pledgor, and the Pledgor shall have financial rights (and other rights derived from and attached to the Charged Shares) and receive cash dividends or other distributions in respect of the Charged Shares.

## **7. RELEASE OF THE PLEDGE**

The Pledge shall be immediately and automatically terminated upon the due performance of the Secured Obligations by the Pledgor.

In such case and if applicable, the Security Agent shall (i) return to the Pledgor the documents received by it under Clause 4.1(b), (ii) inform the Turkish Obligor of the release of the Pledge, and (iii) execute the necessary documentation for the Turkish Obligor to de-register the Pledge from the share ledger of the Turkish Obligor within 5 (five) Business Days.

## **8. APPLICATION OF PROCEEDS**

All moneys (or other considerations) received by the Security Agent, or their designee, in exercise of the rights, powers and remedies under this Agreement or by law shall be applied by the Security Agent in discharge of the Secured Obligations in accordance with the Security Agency Agreement.

## **9. CONTINUING SECURITY**

- 9.1. The Pledge created under this Agreement shall be a continuing security for the scope of the Secured Obligations until discharged in full and subject to terms and conditions hereof.
- 9.2. The Pledge created under this Agreement shall be in addition to and independent of any other pledge, guarantee or other security given in respect of the Secured Obligations.

## 10. INDEMNITY AND EXPENSES

- 10.1. The Pledgor hereby agrees that it will indemnify the Security Agent for any losses and damages incurred by the Security Agent in case of failure to comply with the provisions of this Agreement. If the Pledgor fails to indemnify the Security Agent, the Subscribers agree to indemnify the Security Agent for such losses on a pro rata basis in which event the Pledgor shall reimburse such Subscribers on a full indemnity basis against any such losses so incurred by them to the Security Agent.
- 10.2. The Pledgor hereby unconditionally and irrevocably agrees and undertakes that he shall reimburse in full the Security Agent for all expenses and amounts the Security Agent may incur in relation to protection and exercise of the rights of the Security Agent under this Agreement (including, without limitation, in connection with any enforcement action and the related fees, costs and expenses) and any breach of the Agreement by the Pledgor.

## 11. MISCELLANEOUS

- 11.1. All notices or other communications required or permitted to be given hereunder shall be in writing. The notices so given shall be effective upon delivery to the below mentioned address of the receiver. Any party may change its address for the service of notices hereunder by giving prior written notice to the other party in the manner set forth hereinabove.

If to the Pledgor:

**ZincOx Resources Plc.**

Address: Knightway House, Park Street, Bagshot, Surrey ,GU19 5AQ

Attention: Simon Hall

If to the Security Agent:

**ERHAN SEYFİ MOROĞLU**

Address: Odakule Kat 12, İstiklal Caddesi 142, Beyoğlu 34430 İstanbul Turkey

Attention: Erhan Seyfi Moroğlu

With a copy to each of the Subscribers (to the address that is specified for the delivery of notices to each such Subscriber in the Note Subscription Agreement).

- 11.2. This Agreement, the Note Subscription Agreement (in so far as it relates to the Charged Shares), the Notes and the other Transaction Documents and all documents delivered as part of or incident to this Agreement or which are incorporated as part of it by reference constitute and contain the entire agreement between the Parties hereto and supersede any and all prior agreements, arrangements and understandings between the Parties relating to the subject matter of this Agreement.

- 11.3. No amendment or waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the Parties. No failure on the part of the Security Agent to exercise, and no delay in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Unless otherwise specified in any such waiver or consent, a waiver or consent given hereunder shall be effective only in the specific instance and for the specific purpose for which given.
- 11.4. The Pledgor may not assign any of its rights under this Agreement and the security constituted hereunder or transfer any of its rights and obligations to any person save upon written instruction of the Security Agent acting on the instructions of the Subscribers, subject to the Note Subscription Agreement. The Security Agent may assign the benefit of the security under this Agreement to a replacement Security Agent subject to the terms of the Security Agency Agreement.
- 11.5. Each of the provisions contained in this Agreement shall be severable and distinct from one another and if at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect; the legality, validity and enforceability of the remaining provisions contained herein shall remain in force and shall not in any way be affected or impaired, and promptly thereafter the Parties shall negotiate in good faith to replace such provision with a valid and enforceable provision having substantially the same economic and legal effect upon the Parties.
- 11.6. This Agreement shall be executed in sufficient originals so that an original may be kept by the Security Agent and each Subscriber with a certified copy of the original to be kept by the Pledgor. All expenses including the applicable taxes, fees and charges arising out of or in connection with the execution of this Agreement shall be borne by the Pledgor, subject to the Note Subscription Agreement.

## 12. LANGUAGE

- 12.1. This Agreement has been negotiated and executed in the English language. All certificates, reports, notices and other documents and communications (except for the notices or communications described in Article 18/III of the Turkish Commercial Code), given or delivered pursuant to this Agreement shall be in the English language or accompanied by an English translation thereof. In case this Agreement is translated into any other language other than English for any purpose, the English version shall prevail in the event of any conflict between the English version and the version translated into a language other than English (except for the notices or communications described in Article 18/III of the Turkish Commercial Code).

## 13. GOVERNING LAW AND JURISDICTION

- 13.1. This Agreement is governed by and construed in accordance with the laws of the Republic of Turkey.
- 13.2. Any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) shall be settled by Istanbul (Çağlayan) Courts and Execution Offices.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

PLEDGOR

**ZincOx Resources Plc.**

By:

Name:

Title:

Address: Knightway House, Park Street, Bagshot, Surrey GU19 5AQ

SECURITY AGENT

**Erhan Seyfi Moroğlu**

Name: Erhan Seyfi Moroğlu

Title: Partner, Moroğlu Arseven

Address: Odakule Kat: 12, İstiklal Caddesi 142, Beyoğlu 34430 İstanbul, Turkey

TURKISH OBLIGOR

**ZINCOX ANADOLU ÇİNKO SANAYİ VE TİCARET ANONİM ŞİRKETİ**

By:

Name:

Title: Director

Address: Odakule Kat: 12, İstiklal Caddesi 142, Beyoğlu 34430 İstanbul, Turkey

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- 13.2. Any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) shall be settled by Istanbul (Çağlayan) Courts and Execution Offices.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

PLEDGOR

**ZincOx Resources Plc.**

By: 

Name: Simon Han

Title: Finance Director

Address: Knightway House, Park Street, Bagshot, Surrey GU19 5AQ

SECURITY AGENT

**Erhan Seyfi Moroğlu**

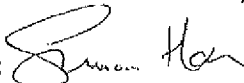
Name: Erhan Seyfi Moroğlu

Title: Partner, Moroğlu Arseven

Address: Odakule Kat: 12, İstiklal Caddesi 142, Beyoğlu 34430 İstanbul, Turkey

TURKISH OBLIGOR

**ZINCOX ANADOLU ÇİNKO SANAYİ VE TİCARET ANONİM ŞİRKETİ**

By: 

Name: Simon Han

Title: Director

Address: Odakule Kat: 12, İstiklal Caddesi 142, Beyoğlu 34430 İstanbul, Turkey