

22 September 2010

Kryso Resources plc

'Kryso' or 'the Company'

AIM: KYS

Interim Results for the Six-Month Period Ended 30 June 2010

Kryso Resources plc (AIM: KYS), the mineral exploration and development company with gold and nickel-copper projects in Tajikistan, announces its Interim results for the six months ended 30 June 2010.

Financial highlights

- Development work costs US\$ 830,000 (2009 (US\$ 217,000)) – fully capitalised
- Administration costs unchanged at US\$ 677,000
- Loss down 1.5% to US\$ 718,000 (2009: (US\$ 729,000))

Operational highlights

- JORC compliant resources at Pakrut increased 7% to 3,024,000oz Au based on 0.5 g/t Au cut-off grade, with total Measured and Indicated resources up 26% (353,300oz) to 1,687,000oz Au at 0.5 g/t Au cut-off

Highlights since year end

- Placing of £10.99m of new shares, subject to approval by Kryso shareholders, to China Nonferrous Metals Int'l Mining Co. Ltd. ("CNMIM"), representing 29.9% of the total issued shares
- Proceeds of Placing to fund Pakrut gold project and accelerate exploration within the Pakrut licensed area
- CNMIM agreed to use best endeavours to procure an offer of debt financing for a minimum of 70% of funds required to bring Pakrut gold project to production.
- Pakrut bankable feasibility study at advanced stage

Trevor Davenport, Non-Executive Chairman, commented; "Progress at Pakrut in the period under review has been positive and we were very pleased to receive the upgrade in our JORC compliant resources. We are very excited about the placing with CNMIM and see this as a real milestone in Kryso's development towards becoming a gold exploration business."

For further information please visit the Company's website (www.kryso.com) or contact:

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About the Pakrut Gold Project

The Pakrut gold project, of which Kryso has 100% ownership, is situated in Tajikistan approximately 112 km northeast of the capital city Dushanbe. Pakrut has total JORC Code-compliant Mineral Resources of 3,024,000 oz Au (assuming a cut-off grade of 0.0g/t Au) and is located within the Tien Shan gold belt, which extends from Uzbekistan into Tajikistan, Kyrgyzstan and western China and which hosts numerous multi-million ounce gold deposits.

Drilling at Pakrut has previously returned numerous exciting intersections, including the following results released in April 2010:

- Ore Zone 1: 25.5m at 7.5 g/t, 42.4m at 5.4 g/t and 12.0m at 6.4 g/t Au
- Ore Zone 3: 9.0m at 7.5 g/t and 13.5m at 7.5 g/t Au (with 4.5m at 20.1 g/t)

About Tajikistan

Tajikistan is a secular republic located in Central Asia. The country is a member of the Commonwealth of Independent States (CIS) and the Shanghai Cooperation Organisation. Tajikistan hosts numerous operating precious metal mines as well as the largest aluminium smelter in Central Asia. Kryso's management team has extensive experience in the mining industry in Tajikistan.

Chairman's Statement

Recent months have marked the beginning of what seems set to be a transformational period for Kryso. Not only has strong progress been made with the technical aspects of Kryso's 100% owned Pakrut gold project in Tajikistan, the proposed transaction with China Nonferrous Metals Int'l Mining Co. Ltd. ("CNMIM") is expected to put the Company in an excellent financial position for the realisation of its main objective, which is the development of the Pakrut project to commercial production.

CNMIM Transaction

In late July, Kryso entered into a conditional subscription agreement (the "Subscription Agreement") with CNMIM for the placing ("the Placing") of 73,269,539 new ordinary shares of the Company ("the Placing Shares") to CNMIM at a price of 15p per share to raise approximately £10.99 million before expenses. The number of Placing Shares will be adjusted if required so as to ensure that it represents 29.9% of the total issued shares of the Company on completion of the Placing.

CNMIM is to receive one warrant for each Placing Share (the "Warrants"), each Warrant entitling CNMIM to subscribe for one further new ordinary share of the Company at 21p per share.

The proceeds of the Placing will be immediately deployed to fund the development of the Pakrut gold project and to accelerate exploration within the Pakrut licensed area, and to undertake further exploration at the Company's Hukas nickel-copper project.

It is highly significant that CNMIM has agreed to use its best endeavours (subject to completion of the Placing) to procure an offer of debt financing for a minimum of 70% of the funding required to bring the Pakrut gold project into production.

CNMIM will have the right to nominate two directors to the board of Kryso, one of whom will take the role of Non-Executive Chairman. Craig Brown, Finance Director, has taken on the role of acting Managing Director, and it is anticipated that the management input of CNMIM at board and project level will be highly valuable following completion of the Placing.

Notification was recently received that the Subscription Agreement has been approved by the board and shareholders of CNMIM, and that CNMIM has satisfactorily concluded its due diligence review of Kryso. The Subscription Agreement and the Placing remain conditional, inter alia, on approval by Kryso shareholders at a general meeting to be convened and on approval by all necessary authorities in the PRC.

The right of CNMIM to nominate two directors to the board of the Company, the issue of the Warrants and CNMIM's obligation to seek to procure debt financing for the Pakrut project are subject to the completion of the Placing.

Pakrut Project

The Pakrut bankable feasibility study ("BFS") is at an advanced stage and is currently being optimised by the Beijing General Research Institute of Mining and Metallurgy ("BGRIMM") in conjunction with Snowden Mining Industry Consultants Pty Ltd ("Snowden"), a well known and highly regarded international mining consultancy.

The BFS has been conceived around an underground mining approach instead of the open pit followed by underground approach originally contemplated. Adopting an underground approach from the beginning of operations will enable access to higher grade ore early in the mine life, potentially improving the project's capital payback performance. The pace of progress with the BFS has been affected by recent corporate developments, which although highly promising, have placed substantial demands on management time and attention. However all possible efforts are being made to expedite the completion of the study.

In June, Kryso announced the completion by Snowden of an updated JORC Code-compliant resource estimate for the Pakrut gold deposit. Total JORC resources at Pakrut increased to 3,024,000oz Au based on a 0.5g/t Au cut-off grade, while total Measured and Indicated resources increased by 26% (353,300oz Au) to 1,687,000oz at a 0.5 g/t Au cut-off.

This updated resource estimate has been used in the preparation of the BFS, and the results of ongoing drilling at Pakrut are expected to result in a further increase in the JORC resources of the deposit once incorporated into the resource model.

Finally, Andre Gaston has recently decided to leave the Company as he would like to work closer to his family in New Zealand. The Board would like to wish Andre well in the future.

Financial Results for the Six Months to June 30 2010

Relative to the six months to June 30 2009, the six months to 30 June 2010 saw the amount spent by the Company on development work and capitalised increase by US\$613,000 to US\$830,000. Administration expenditure decreased by US\$1,000 to US\$677,000. The overall loss incurred by the Company decreased from US\$729,000 to US\$718,000. Total cash equity funding raised from exercising warrants and options during the period was US\$1,719,000.

Dr. Trevor Davenport
Non-Executive Chairman

	Note	Unaudited Six months to 30 June 2010 US\$'000	Unaudited Six months to 30 June 2009 US\$'000	Audited Year ended 31 December 2009 US\$'000
Group Revenue		-	-	-
Cost of sales		-	-	-
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Gross Profit		-	-	-
Administrative expenses		(677)	(678)	(993)
Exceptional expenses		-	-	(191)
Loss on foreign exchange		(44)	(52)	(78)
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Operating Loss		(721)	(730)	(1,262)
Finance income		3	1	3
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Loss on Ordinary Activities before Taxation	2	(718)	(729)	(1,259)
Tax on loss on ordinary activities		-	-	-
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Loss on Ordinary Activities after Taxation attributable to equity holders of the Company		(718)	(729)	(1,259)
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Total Comprehensive Income attributable to equity holders of the Company		(718)	(729)	(1,259)
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Loss per Share (expressed in US dollars per share) attributable to equity holders of the Company – basic and diluted	3	(0.0045)	(0.0079)	(0.0108)
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All of the activities of the Group are classed as continuing.

	Unaudited Six months to 30 June 2010 US\$'000	Unaudited Six months to 30 June 2009 US\$'000	Audited Year ended 31 December 2009 US\$'000
Non-current Assets			
Intangible assets	16,535	14,161	15,652
Tangible assets	45	114	63
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	16,580	14,275	15,715
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Current Assets			
Inventories	774	616	518
Debtors	105	46	108
Cash and cash equivalents	1,675	295	1,826
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	2,554	957	2,452
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Current Liabilities			
Trade and other payables	(349)	(715)	(383)
Borrowings	-	(724)	-
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	(349)	(1,439)	(383)
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Net Current Assets/(Liabilities)	2,205	(482)	2,069
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Total Assets less Current Liabilities	18,785	13,793	17,784
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Equity and Reserves attributable to Equity Holders of the Company			
Called-up equity share capital	2,946	1,890	2,725
Share premium account	19,276	15,339	17,778
Retained earnings	(3,437)	(3,436)	(2,719)
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Total Equity	18,785	13,793	17,784
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	Unaudited Six months to 30 June 2010 US\$'000	Unaudited Six months to 30 June 2009 US\$'000	Audited Year ended 31 December 2009 US\$'000
Net Cash Outflow from Operating Activities	(1,004)	(962)	(1,634)
Cash flows from Investing Activities			
Interest received	3	1	3
Payments to acquire intangible fixed assets	(830)	(217)	(1,660)
Payments to acquire tangible fixed assets	(39)	-	(3)
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Net cash outflow from Investing Activities	(866)	(216)	(1,660)
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Cash flows from Financing Activities			
Issue of equity share capital (net of issue costs)	1,719	1,020	3,940
Proceeds from borrowings	-	-	727
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Net cash inflow from Financing Activities	1,719	1,020	4,667
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Net (Decrease)/Increase in Cash and Cash Equivalents	(151)	(158)	1,373
Cash and cash equivalents at beginning of period	1,826	453	453
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Cash and cash equivalents at end of period	1,675	295	1,826
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Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities			
Operating loss	(721)	(730)	(1,262)
Depreciation	4	5	11
Share based payments	-	-	35
Increase in inventories	(256)	(164)	(66)
Decrease/(increase) in debtors	3	32	(30)
(Decrease)/increase in creditors	(34)	(105)	(437)
Non-cash interest on convertible loan	-	-	53
Foreign exchange on convertible loan	-	-	62
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Net Cash Outflow from Operating Activities	(1,004)	(962)	(1,634)
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	Capital US\$'000	Share premium US\$'000	Retained earnings US\$'000	Total equity US\$'000
Balance at 1 January 2009	1,680	14,529	(2,707)	13,502
Total comprehensive income	-	-	(729)	(729)
New shares issued	210	908	-	1,118
Cost of shares issued	-	(98)	-	(98)
Balance at 30 June 2009	1,890	15,339	(3,436)	13,793
Total comprehensive income	-	-	(530)	(530)
Share based payment	-	-	1,247	1,247
New shares issued	835	3,814	-	4,649
Cost of shares issued	-	(1,375)	-	(1,375)
Balance at 31 December 2009	2,725	17,778	(2,719)	17,784
Total comprehensive income	-	-	(718)	(718)
New shares issued	221	1,498	-	1,719
Balance at 30 June 2010	2,946	19,276	(3,437)	18,785

1. Accounting Policies

Basis of Accounting

These unaudited interim financial statements were approved for issue by the Kryso Resources plc Board of Directors on 21 September 2010.

This financial information has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRIC Interpretations. The financial information has been prepared under the historical cost convention. The annual financial statements are prepared in accordance with IFRS as adopted by the European Union. The same accounting policies are followed in the interim financial information as applied in the Group's latest annual audited financial statements.

As permitted, the Group has chosen not to adopt IAS 34 'Interim Financial Statements' in preparing this interim financial information.

The Group has applied consistent accounting policies in preparing the consolidated interim financial statements for the six months ended 30 June 2010, the comparative information for the six months ended 30 June 2009, and the financial statements for the year ended 31 December 2009.

The following standards, amendments and interpretations to existing standards were effective in 2010 but not relevant to the Group:

- IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements' and IAS 28, 'Investments in associates' are effective prospectively to acquisitions and disposals where the acquisition or disposal date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. This is not currently applicable to the Group.
- IFRIC 17, 'Distributions of non-cash assets to owners', effective for annual periods commencing on or after 1 July 2009. This is not currently applicable to the Group.
- IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This is not currently applicable to the Group.
- IFRS 2 (amendment), 'Group cash settled share based payments', effective for annual periods commencing on or after 1 January 2010. This is currently not applicable to the Group.

These interim results are unaudited and do not constitute statutory financial statements as defined in section 435 of the Companies Act 2006. The functional currency of the Group is US dollars and accordingly the amounts in the interim results are denominated in that currency. The balance sheet rates of exchange for the US dollar to UK Sterling was US\$1.50668 to: £1.

The statutory financial statements for Kryso Resources plc for the year ended 31 December 2009 received an unqualified Auditors Report with an emphasis of matter on going concern. and the statutory financial statements have been filed with the Registrar of Companies.

Basis of Consolidation

The consolidated interim results incorporate the interim results of the Company and all Group undertakings. These are adjusted, where appropriate, to conform to Group accounting policies. Subsidiaries are all entities over which the Group has power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. All significant intercompany transactions and balances between group undertakings are eliminated on consolidation.

Intangible assets - Exploration and Evaluation Expenditure

Research and exploration expenditure is written off in the year in which it is incurred. When a decision is taken that a mining property becomes viable for commercial production, all further pre-production expenditure is capitalised. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to undertake topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and other activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Exploration and evaluation assets are assessed for impairment annually or when facts and circumstances suggest that the carrying amount of any asset may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units which are based on geographical areas. Where exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities at the unit, the associated expenditure will be written off in the Statement of Comprehensive Income.

2. Operating Loss

Operating loss is stated after charging/(crediting):

	Unaudited Six months to 30 June 2010 US\$'000	Unaudited Six months to 30 June 2009 US\$'000	Audited Year ended 31 December 2009 US\$'000
Depreciation	57	56	110
Less transfer to exploration costs	(53)	(51)	(99)
Exceptional expenses	-	-	191
Operating lease rentals – other	20	28	41
Loss on foreign exchange	44	52	78

3. Loss per Share

Loss attributable to equity holders of the Company (US\$'000)	718	729	1,259
Weighted average number of ordinary shares in issue	159,691,568	92,243,267	116,883,775

The loss per share is calculated by dividing the loss for the period after tax attributable to equity holders by the weighted average number of ordinary shares in issue during the period. There is no difference between the diluted loss per share and the loss per share shown.