

29 September 2005

**KRYSO RESOURCES Plc**

**Company Registration Number 0519050**

**Interim Results for the 6 month period ended 30 June 2005**

Chairman's Statement

As Chairman, I am very pleased to announce that during the last five months, Kryso Resources plc has made significant and rapid progress at its Pakrut Gold Deposit in Tajikistan. Between May and September an exploration camp, workshops and storage area have been established on site. In addition the portal access and 750m of the original Russian No.1 adit has been re-established and re-lined. The adit, closed for 25 years, is in remarkably good condition and a second access entrance has been cleared for safety and ventilation purposes.

Now that permission for the storage of explosives on site has been received, the excavation of underground drill chambers has begun. As soon as these are established, the two Onram drills will begin the planned underground drilling programme which involves approximately 7000m of diamond drilling to confirm the Russian reported resource. Currently one of these drills has completed the first, and started the second of three planned surface drill holes for the Zone 2 mineralisation.

Based on similar structurally-hosted deposits in the region, Kryso has begun re-interpreting the Soviet geological model of the Pakrut deposit; the Directors believe this has the potential of increasing the existing Soviet reported resource.

Dr. Trevor Davenport

Chairman

KRYSO RESOURCES PLC

Consolidated Unaudited Profit and Loss Account  
For the 6 months ended 30 June 2005

	Six months to 30 June 2005 Note	Audited Year ended 31 December 2004 US\$000
Group turnover	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	(233)	(109)
Development expenditure	-	(11)
Exceptional gain/(loss) on foreign exchange	(221)	201

Amortisation of goodwill		(250)	(77)
Operating (loss)/profit		(704)	4
Interest receivable		117	16
Loss/(profit) on ordinary activities before taxation	2	(587)	20
Tax on profit on ordinary activities		-	-
Loss/(profit) on ordinary activities after taxation		(587)	20
Dividends		-	-
Loss/(profit) for the financial period		(587)	20
Loss/(profit) per share		(US\$0.01)	US\$0.0013

All of the activities of the Group are classed as continuing.

Consolidated Unaudited Balance Sheet  
As at 30 June 2005

	Six Months to to 30 June 2005	Audited Year Ended 31 December 2004
	US\$000	US\$000
Fixed assets		
Intangible assets	4,615	4,666
Tangible assets	765	75
	5,380	4,741
Current assets		
Stocks	320	18
Debtors	158	227
Cash at bank	3,445	4,938
	3,923	5,183
Creditors: Amounts falling due within one year	(89)	(123)
Net current assets	3,834	5,060
Total assets less current liabilities	9,214	9,801
Capital and reserves		
Called-up equity share capital	1,027	1,027
Share premium account	8,754	8,754
Profit and loss account	(567)	20
Shareholder funds	9,214	9,801

Consolidated Unaudited Cash Flow Statement  
For the 6 months ended 30 June 2005

	Six Months to to 30 June 2005	Audited Year Ended 31 December 2004
	US\$000	US\$000
Net cash (outflow)/inflow	(710)	7
Returns of investments and servicing of finance		
Interest received	117	16
Net cash inflow from returns on investments and servicing of finance	117	16
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(701)	(61)
Development expenditure capitalised as intangible assets	(199)	-
Net cash outflow from capital expenditure and financial Investment	(900)	(61)
Cash acquired with subsidiaries	-	634
Cash (outflow)/inflow before financing	(1,493)	596
Financing		
Issue of equity share capital (net of issue costs)	-	4,341
Net cash inflow from financing	-	4,341
(Decrease)/increase in cash	(1,493)	4,937
Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities		
Operating (loss)/profit	(704)	4
Amortisation	250	77
Depreciation	11	10
Increase in stocks	(302)	(13)
Decrease/(increase) in debtors	69	(115)
(Decrease)/increase in creditors	(34)	44
Net cash (outflow)/inflow from operating activities	(710)	7

## Notes to the Financial Statements

For the 6 months ended 30 June 2005

### 1. Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The unaudited financial statements for the six months ended 30 June 2005 have been prepared in accordance with accounting principles applied by the group in the prior accounting period. These financial statements are unaudited and do not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

The functional currency of the company and group is US dollars and accordingly the amounts in the financial statements are denominated in that currency. The balance sheet rates of exchange for the US dollar to UK Sterling were US\$1.792 to:£1.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all Group undertakings. These are adjusted, where appropriate, to conform to Group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over ten years from the year of acquisition. The results of companies acquired or disposed of are included in the Group profit and loss account after or up to the date that control passes respectively.

#### Amortisation of Goodwill

Goodwill that arose on the acquisition of Kryso Resources Limited by Kryso Resources plc in 2004 has been amortised over a period of 10 years which is the period of the initial exploration and mining license.

#### Exploration and Development expenditure

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 Development expenditure is capitalised. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Capitalised research and development expenditure is amortised upon commencement of production using a suitable method based on the volumes of proved and probable reserves of ore and are written off if the property is abandoned.

### 2. Operating(loss)/profit

Operating (loss)/profit is stated after charging:

	Six Months to 30 June 2005	Year Ended 31 December 2004
	US\$000	US\$000
Amortisation of Goodwill	250	77
Depreciation of owned fixed assets	11	10
Auditors' remuneration		
- as auditors	0	19
- non-audit services	6	31