

Kryso Resources Exploration Update

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KRYSO RESOURCES plc

PROGRESS REPORT

Vassilios Carellas, Managing Director is pleased to announce that drilling has commenced at the Pakrut Gold Deposit in Tajikistan.

Drilling:

Pakrut - One Hagby Onram 1000/3 drill rig ("Onram") has started drilling the first of two surface drill holes. The Longyear 38 drill is also on site in the Pakrut Licence Area. The bulk of the drilling at Pakrut will be carried out from underground to allow for all year round drilling. The second Onram drill will be transferred to site shortly to further the underground drilling programme.

Sulphidnoye - The Longyear 38 surface drill will be used to first drill a water borehole for the camp to ensure a constant potable water supply, then the drill rig will be used to start exploration drilling at the Sulphidnoye prospect.

Access has been re-established to Sulphidnoye prospect and drill pads are being prepared. The initial part of the drill programme is designed to get a better understanding of the geology of the prospect.

Pakrut Camp:

Secure storage facilities, and diesel and generator compounds are now established on site. For storage and accommodation, 40-foot containers have been transported to the camp and are currently being converted and winterised.

A secure explosive store has been constructed and permission has been received to utilise, transport and store explosives; the compound will be guarded 24 hours a day by police guards.

Pakrut Underground Mine:

The portal and access to 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. A second access entrance has been cleared for ventilation and safety purposes. The bulk of the drilling will be carried out from this adit and its crosscuts.

Laboratory:

Most of the sample preparation equipment has now arrived in Dushanbe and is stored in the adjacent large holding store. The Atomic Absorption Spectrophotometer laboratory is complete and the instrument has been tested by a Perkin Elmer engineer. The adjacent sample digestion and the sample preparation laboratories are nearing completion.

Holding Store/Core Shed:

Part of the 800m(2) holding store will be used for storage of drill core and rock samples after all the remaining equipment has been transferred to site.

General:

The company now employs over 100 local staff including geological, drilling, mining, laboratory, stores and administration personnel; it has also moved to a larger office in Dushanbe. The total local salary cost per month is less than US\$20,000.

Feasibility Study:

A firm of local environmental consultants has been appointed and have commenced work to complete an environmental impact study for the feasibility study of the Pakrut Gold Deposit. Key personnel from this company LLC "Ziderer" have obtained their qualification in the United States and have previously completed environmental assessments for the United Nations and the World Bank in Tajikistan.

Three consultants from "Snowden Mining Industry Consultants" are arriving in Dushanbe in mid-September as part of the on-going Feasibility Study. One is a resource geologist, who visited last year; the second, an environmental scientist, who will set up the procedures for the environmental study; the third is a mining engineer and will be concerned with geotechnical aspects such as rock conditions during mining, and the establishment of a tailings dam.

Contacts:

Kryso Resources plc
Vassilios Carellas / Craig Brown
Telephone: 020 7371 0600
Mobile 07970 756352 / 07947 464188

Ruegg & Co Ltd
Brett Miller
Telephone: 020 7584 3663

Hichens Harrison
Christian Dennis
Telephone: 020 7382 4473