

25 September 2007

**Kryso Resources plc**

**'Kryso' or 'the Company'**

**AIM: KYS**

**Company Registration Number 0519050**

**Interim Results for the six month period ended 30 June 2007**

### **Highlights**

- Feasibility study on Pakrut gold project is proceeding well with completion anticipated in Q1 2008
- Geophysical survey at Hukas nickel-copper project is completed, drill targets now being generated
- Highly encouraging gold intersections received from diamond drilling at Pakrut, further results pending

Kryso Resources' Non-Executive Chairman Dr. Trevor Davenport comments:

'The company has achieved a great deal since I last reported to shareholders. We continue to make good headway with the Pakrut feasibility study as well as with the exploration of the Hukas nickel-copper project. In the light of the exceptional recent drill results from the Pakrut gold project, with more results due in the near future, we feel justified in looking to the coming months with great optimism.'

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## KRYSO RESOURCES PLC

Company Registration Number 0519050

### Interim Results for the six month period ended 30 June 2007

25 September 2007

#### Chairman's Statement

I am pleased to report that since my last statement on 13 June Kryso Resources plc has been very active with both the ongoing feasibility study and resource development programme at the Pakrut gold project ('Pakrut') and with the initial exploration of the Hukas nickel-copper project ('Hukas').

The projects, which are both located in Tajikistan, continue to reward the Company's investment in them, while Tajikistan remains one of the most attractive operating environments in Central Asia.

At Pakrut, the highlight has been further positive results from diamond core drilling of Ore Zone 1. Analysis of the samples was carried out by the internationally accredited SGS Lakefield laboratory in South Africa.

Highlights of drilling in Ore Zone 1 include intersections of:

42m @ 11.17g/t Au (including 6m @ 18.3g/t, 4m @ 28.15g/t, 3m @ 10.68g/t, 5m @ 34.04g/t)

50m @ 5.67g/t Au (including 5m @ 41.54g/t)

41.5m @ 4.08g/t Au (including 16m @ 8.49 g/t)

4.5m @ 10.33g/t Au

13.5m @ 7.92 g/t Au

These results are from drilling down to 100-150m below the existing adit level and support the interpreted trend of the mineralization in Ore Zone 1, which is still open at depth, to the east and to the north. The drilling, which has mostly targeted hitherto untested areas, indicates that both the width and grade of the mineralization are significantly increasing with depth.

Recently, core samples from thirteen new diamond drill holes, PKDD 64 to 76, were shipped from Tajikistan to SGS Lakefield for analysis. Three of these drill holes are from Ore Zone 3, while the remainder are from Ore Zone 1 on parallel sections to those from which the above analyses were obtained. In addition, the mineralised zones within the adit have been channel-sampled and the samples will soon be dispatched to SGS Lakefield for analysis.

The Company plans to drill the deeper extensions of Ore Zone 1 from surface in the near future. Results from these deeper drill holes, the thirteen drill holes recently completed, the adit channel sampling, together with the excellent results of the latest press release, will be included in an update of the JORC-compliant resource estimate for the Pakrut deposit. This estimate currently stands at nearly 600,000 ounces, and the updated figure is expected to be significantly greater.

Ore samples from Pakrut have also been sent to South Africa for metallurgical testwork, and geotechnical drilling has begun on site. Overall, the Pakrut feasibility study is steadily progressing towards an anticipated date of completion during the first quarter of next year.

At Hukas, geophysical contractor LOGANTEK completed a ground based electromagnetic survey during July and August covering 8 square kilometres of the Hukas Licensed Area, which extends over a total of 17 square kilometres. The data generated by this survey is currently being processed and initial analysis has revealed several significant anomalies, which the Company plans to drill as soon as possible.

We also intend to undertake a shallow diamond core drill programme later this year on the exposed mineralised section discovered within the Hukas Licensed Area during the times of the Soviet Union.

The 2007/2008-work programme at Hukas is the initial phase of a full evaluation of the licensed area's economic potential, while at Pakrut Kryso remains focused on reaching production within the shortest achievable time.

These interim financial statements and all comparative figures for previous periods have been converted to comply with International Financial Reporting Standards (IFRS) in accordance with the mandated adoption of IFRS by all AIM-listed companies. This change means that the comparative figures are different to those previously reported.

The income statement shows an increased loss of \$315,000 for the six months ended 30 June 2007, compared to \$104,000 during the six months ended 30 June 2006. The increased loss is due to a decrease in the Company's foreign exchange gains and interest income by \$52,000 and an increase in corporate costs of \$159,000. The increased corporate costs are associated with the employment of additional administration staff, additional regulatory costs and investment in the improvement of the Company's profile through various public relations initiatives.

During the six month period ended 30 June 2007, \$991,000 of site expenditure was capitalised. This site expenditure consisted of drilling, trenching, underground development, laboratory costs, including the export of samples for external assay, along with mining, engineering, metallurgical and environmental consultants. These costs are part of the ongoing feasibility study for the Pakrut project.

On a final note, with the gold price reaching highs not seen for decades, I expect the Pakrut project to attract more attention as the Company approaches the completion of the feasibility study, and assuming a positive outcome, proceeds thereafter to the financing and construction of what we hope will become one of Central Asia's most important new gold mines.

Dr. Trevor Davenport  
**Chairman**

		Six months to 30 June 2007 US\$'000	Six months to 30 June 2006 US\$'000	Audited Year ended 31 December 2006 US\$'000
	Note			
<b>Group Revenue</b>		-	-	-
Cost of sales		-	-	-
		<hr/>	<hr/>	<hr/>
<b>Gross Profit</b>		-	-	-
Administrative expenses		(387)	(226)	(589)
Development expenditure		-	(2)	-
Exceptional gain/(loss) on foreign exchange		31	61	157
		<hr/>	<hr/>	<hr/>
<b>Operating Loss</b>		(356)	(167)	(432)
Finance income		41	63	95
		<hr/>	<hr/>	<hr/>
<b>Loss on Ordinary Activities before Taxation</b>	2	(315)	(104)	(336)
Tax on (loss) on ordinary activities		-	-	-
		<hr/>	<hr/>	<hr/>
<b>Loss on Ordinary Activities after Taxation</b>		(315)	(104)	(336)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Loss Per Share – basic and diluted</b>		(0.0047)	(0.0019)	(0.0059)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	Six months to 30 June 2007 US\$'000	Six months to 30 June 2006 US\$'000	Audited Year ended 31 December 2006 US\$'000
<b>Non-current Assets</b>			
Intangible assets	8,508	6,511	7,517
Tangible assets	425	801	601
	<hr/>	<hr/>	<hr/>
	8,933	7,312	8,118
	<hr/>	<hr/>	<hr/>
<b>Current Assets</b>			
Inventories	393	188	224
Debtors	274	264	236
Cash and cash equivalents	1120	1,618	2,493
	<hr/>	<hr/>	<hr/>
	1,787	2,070	2,953
Current Liabilities	(83)	(103)	(119)
	<hr/>	<hr/>	<hr/>
Net Current Assets	1,704	1,967	2,834
	<hr/>	<hr/>	<hr/>
<b>Total Assets less Current Liabilities</b>	<b>10,637</b>	<b>9,279</b>	<b>10,952</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Equity</b>			
Called-up equity share capital	1,227	1,035	1,227
Share premium account	10,554	8,865	10,554
Retained earnings	(1,144)	(621)	(829)
	<hr/>	<hr/>	<hr/>
<b>Total Equity</b>	<b>10,637</b>	<b>9,279</b>	<b>10,952</b>
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	Six months to 30 June 2007 US\$'000	Six months to 30 June 2006 US\$'000	Audited Year ended 31 December 2006 US\$'000
<b>Net Cash Outflow from Operating Activities</b>	(594)	(317)	(535)
<b>Returns of Investments and Servicing of Finance</b>			
Interest received	41	63	95
<b>Net Cash Inflow from Returns on Investments and servicing of finance</b>	41	63	95
<b>Capital Expenditure and Financial Investment</b>			
Payments to acquire intangible fixed assets	(790)	(560)	(1,375)
Payments to acquire tangible fixed assets	(30)	(33)	(38)
<b>Net cash outflow from Investing Activities</b>	(820)	(593)	(1,413)
<b>Cash Outflow before Financing Activities</b>	(1,373)	(847)	(1,853)
<b>Financing</b>			
Issue of Equity Share Capital (Net of Issue Costs)	-	-	1,881
<b>Net Cash Inflow from Financing Activities</b>	-	-	1,881
<b>Decrease in Cash and Cash Equivalents</b>	(1,373)	(847)	28
<b>Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities</b>			
Operating loss	(356)	(167)	(432)
Depreciation	5	13	27
Share based payments	-	-	25
Decrease/(increase) in inventories	(169)	27	(9)
Increase in debtors	(38)	(142)	(114)
Decrease in creditors	(36)	(48)	(32)
<b>Net Cash Outflow from Operating Activities</b>	(594)	(317)	(535)

	Capital premium US\$'000	Share earnings US\$'000	Retained equity US\$'000	Total US\$'000
<b>Balance at 1 January 2006</b>	1,035	8,865	(517)	9,383
Recognised income and expenses	-	-	(104)	(104)
<b>Balance at 30 June 2006</b>	1,035	8,865	(621)	9,279
Recognised income and expenses	-	-	(232)	(232)
Share based payment	-	-	25	25
New Shares issued	192	1,689	-	1,881
<b>Balance at 31 December 2006</b>	1,227	10,554	(829)	10,952
Recognised income and expenses	-	-	(315)	(315)
<b>Balance at 30 June 2007</b>	1,227	10,554	(1,144)	10,637

## 1. Accounting Policies

### Basis of Accounting

These unaudited interim financial statements were approved for issue by the Kryso Resources plc Board of Directors on 24 September 2007.

These consolidated interim financial statements for the six months ended 30 June 2007 have been prepared in accordance with the Listing Rules of the Financial Services Authority and with IAS 34, 'Interim financial reporting' as adopted by the European Union ("EU"). The interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2006 which have been prepared in accordance with UK Generally Accepted Accounting Principles ("UK GAAP").

The Group now prepares its financial statements in accordance with applicable International Financial Reporting Standards ("IFRS") as adopted by the EU. This is the first financial information on the Group to have been prepared under IFRS and the disclosures required by IFRS 1 "First time adoption of IFRS" concerning the transition from UK GAAP to IFRS have been included in these notes.

The Group has applied consistent accounting policies in preparing the consolidated interim financial statements for the six months ended 30 June 2007, the comparative information for the six months ended 30 June 2006, the financial statements for the year ended 31 December 2006 and the preparation of the opening IFRS balance sheet at 1 January 2006, the date of transition.

These interim results are unaudited and do not constitute statutory financial statements as defined in section 240 of the Companies Act 1985. 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 were US\$2.0039 to: £1.

The statutory financial statements for Kryso Resources plc for the year ended 31 December 2006 received an unqualified Auditors Report and 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. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and the value of this goodwill is reviewed on a periodic basis. 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.

### 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**

Operating loss is stated after charging/(crediting):

	<b>Six months to 30 June 2007 US\$'000</b>	<b>Six months to 30 June 2006 US\$'000</b>	<b>Year ended 31 December 2006 US\$'000</b>
Depreciation of owned fixed assets	206	202	431
Less transfer to exploration cost	(201)	(189)	(404)
Auditors' remuneration - as auditors	8	8	22
- non-audit services	2	0	2

**3. Comparative period**

The corresponding amounts in the prior interim period for the six months ended 30 June 2006 and the audited financial statements for the year ended 31 December 2006 have been adjusted for the effects of changes to accounting policies on transition to IFRS as follows:

- (a) Goodwill arising on the acquisition of Kryso Resources Limited by Kryso Resources plc was amortised over a ten year period in previous accounting periods. In accordance with International Financial Reporting Standards the write off of goodwill has been reinstated; which has resulted in the Group carrying the goodwill, which is included in intangible assets, at its original acquisition value.
- (b) The effect of reversing the amortisation of goodwill on the financial statements for the six months ended 30 June 2006 is a decrease in operating loss from \$354,000 to \$104,000.
- (c) The effect of reversing the amortisation of goodwill on the financial statements for the year ended 31 December 2006 is a decrease in operating loss from \$841,000 to \$336,000.
- (d) Equity under previous GAAP at the end of 30 June 2006 was \$8,448,000 compared to equity under IFRS's at that date of \$9,279,000.
- (e) Equity under previous GAAP at the date of transition, 1 January 2006 was \$8,802,000 compared to equity under IFRS's at that date of \$9,383,000.
- (f) Equity under previous GAAP at the end of 31 December 2006 was \$9,866,000 compared to equity under IFRS's at that date of \$10,952,000.