

28 July 2010

Kryso Resources plc  
("Kryso" or "the Company")

AIM: KYS

Proposed Issue of Equity and potential project finance

- Conditional placing of 73,269,539 new ordinary shares to China Nonferrous Metals Int'l Mining Co. Ltd. representing 29.9% of the total issued share capital of the Company at a price of 15p per share ("the Placing Shares") to raise £10,990,430.85 before expenses

- Conditional issue to China Nonferrous Metals Int'l of one warrant for each Placing Share, conditional on completion of the above placing, exercisable at 21p per share and each entitling China Nonferrous Metals Int'l to subscribe for one further new ordinary share ("the Warrants")

(together "the Placing")

- China Nonferrous Metals Int'l Mining Co. Ltd. to use best endeavours to provide mine construction financing for the Pakrut gold project

- Proceeds of placing to be deployed to fund the development of the Pakrut gold project, exploration in the Pakrut licensed area and further exploration at the Hukas nickel-copper project

Kryso Resources plc, the mineral exploration and development company with gold and nickel-copper projects in Tajikistan, is pleased to announce that on 27 July 2010 it entered into a conditional subscription agreement ("the Agreement") with China Nonferrous Metals Int'l Mining Co., Ltd. ("CNMIM") whose principal shareholder is China Nonferrous Metals Mining (Group) Co., Ltd. ("China Nonferrous"). China Nonferrous is a major Chinese mining company headquartered in Beijing.

Conditional on the satisfaction of various conditions set out below (the "Conditions"), including shareholder approval of the Placing; completion of the Placing and completion of satisfactory due diligence on Kryso by CNMIM, CNMIM has agreed to use its best endeavours to procure an offer of debt financing ("the Investor Financing") for the Company within three months of the board approval of the bankable feasibility study ("BFS") for not less than 70% of the funding cost of the Pakrut gold project, which funds would be used for the purposes of constructing and commissioning a mine at the Pakrut gold project.

It is currently anticipated that the results of the BFS will be published shortly.

Pursuant to the Agreement, assuming satisfaction of all Conditions, CNMIM will subscribe for 73,269,539 Placing Shares (subject to adjustment so that the number of new ordinary shares subscribed shall represent, on completion of the Placing, 29.9% of the total issued shares of the Company) at 15p per share to raise £10,990,430.85 before expenses. The Company will issue to CNMIM one Warrant for each Placing Share, and each Warrant will entitle CNMIM to subscribe for one new ordinary share in the Company at 21 pence per share. The Warrants may be exercised at any time during the three years following completion of the Placing, and the issue of the Warrants is conditional on completion of the Placing.

Trevor Davenport, Non-Executive Chairman of Kryso Resources, comments:

'Kryso is extremely pleased to have entered into a strategic agreement with a company with such a strong track record in the successful development of major mining projects.

CNMIM is supportive of Kryso's primary objective, to develop the Pakrut gold project to commercial production at the earliest opportunity, and we are confident that CNMIM will be able to source the necessary financing for the Company to fulfil this objective.'

David Tang, President of CNMIM comments:

"We are delighted to be making the proposed investment in Kryso and look forward to working with the Company to develop the full potential of the Pakrut project."

#### Background on CNMIM and China Nonferrous

CNMIM is a global mining company and was established in 2002 with China Nonferrous as its principal shareholder. CNMIM is focused on the development of major nonferrous and precious metal projects outside China. CNMIM has access to Chinese and overseas markets, resources and capital.

#### Use of Proceeds

If the Placing is successful, Kryso intends to utilise the net funds raised for the continued exploration and development of the reserves at Pakrut and to continue exploration at the Hukas nickel-copper project.

#### Warrants

The Company will, conditional on completion of the Placing, issue CNMIM with one Warrant for each Placing Share and each Warrant will entitle CNMIM to subscribe for one new ordinary share in the Company at 21 pence per share.

The Warrants may be exercised in whole or in part at any time during the three years following completion of the Placing.

#### New Directors

Under the Agreement, CNMIM will have the right, subject to completion of the Placing, to appoint and maintain up to two directors ('the New Directors') to the board of Kryso, the second of whom will take the role of non-executive Chairman. A further announcement will be made in due course if the Placing completes and this right is exercised.

#### Conditions

The Placing is subject to a number of conditions, including:

- CNMIM having concluded its legal, financial and technical due diligence to its satisfaction during the period of one month from the date of the Agreement.
- Shareholders of the Company passing resolutions to authorise the Board to allot the Placing Shares and to waive statutory pre-emption rights in respect of such shares at a General Meeting to be convened and held in due course by the Company.
- Approval of the subscription from all appropriate authorities in the PRC.

- Admission ('Admission') to trading on AIM of the Placing Shares.
- No material adverse effect or material breach of warranty or covenant having occurred prior to Admission.
- No insolvency event, revocation or material adverse amendment of any existing exploration licence or unlifted suspension of the Company's shares from trading having occurred prior to Admission.

The Agreement contains warranties given by the Company to CNMIM as to, *inter alia*, the organisation, good standing, mineral rights, assets and other matters relating to the Company, its subsidiaries and its business.

#### Further Announcements

A further announcement will be made by Kryso when a notice is despatched to convene a general meeting of shareholders of the Company to seek approval for the Placing or if either party terminates the Agreement for any reason.

#### 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 a number of 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.

For further information, please visit the Company's website ([www.kryso.com](http://www.kryso.com)) or contact:

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