

13 February 2008

Kryso Resources plc
(`Kryso' or `the Company')

AIM: KYS

Highly Positive Pre-Feasibility Study for the Pakrut Gold Project

Highlights:

- Operating cash flow before tax of US\$345m
- Post-tax NPV and IRR of US\$115 million and 67% respectively at 10% discount rate
- Start-up capital requirement of US\$65 million
- Average cash cost, including royalty, of US\$291/ounce
- Average production of over 100,000 oz per annum over life of mine
- Minimum mine life of 6 years processing 1.46 Mt of ore per annum
- Mineralization still open in three directions

Kryso Resources plc, the mineral exploration and development company with in excess of one million ounces of JORC Code-compliant gold resources defined by GeoLogix at its 100 per cent owned Pakrut gold project in Tajikistan, is delighted to announce the positive conclusion of the Pakrut pre-feasibility study (`the Study'). The Study has been conducted internally by Kryso's technical team and used up-to-date information provided by the Company's various consultants as well as internal data. The Study envisages the development of a combined open pit and underground mine, a processing facility, and the associated infrastructure.

The basis for the Study was the November 2007 GeoLogix resource estimate. The Company anticipates, however, that further gold resources will be outlined at Pakrut by exploration in 2008 and beyond as mineralization is open to the east and west along strike, and to the south down dip. This could significantly increase the net present value and the rate of return of the project in the future.

However, the Study indicates that the Pakrut project is economically viable on the basis of the resources presently defined.

Kryso Resources' Managing Director Vassilios Carellas comments:

'The pre-feasibility study for the Pakrut gold project represents an interim stage of the bankable feasibility study which is currently underway. We anticipate its completion within the next few months and will naturally look to procure mine development financing as soon as possible after this.'

SUMMARY OF THE FINDINGS OF THE PRE-FEASIBILITY STUDY

Background

The estimated direct capital cost for bringing the project into production is US\$65M. Based on the interim GeoLogix resource estimate, the mine would have a minimum life of six years at 1.46Mt per annum. The forecast average

cash cost, including royalty, is US\$291/oz, the total pre-tax cash flow is approximately US\$264m, and the estimated pre-tax NPV and IRR are US\$157M and 84.08% respectively at a 10% discount rate.

Resource Model

Based on the results of additional core drilling throughout 2007, the Company updated the first JORC-Compliant resource estimate produced for Pakrut by Snowden Mining Industry Consultants ('Snowden') in March 2007, with a second resource produced by GeoLogix in November 2007. The Company prepared the electronic database as well as the mineralization interpretations, which were then reviewed by Snowden and GeoLogix. The JORC-compliant interim resource estimate (including Measured, Indicated and Inferred resources) produced by GeoLogix at a 0.5 g/t Au cut-off was 15.05Mt @ 2.18 g/t Au. Drilling will continue this year to define more resources that will then be included in another update to the resource in a year or so.

Mining

After considering several options to develop the Pakrut deposit, the Company has opted for a combined open pit and underground mine. Initially the bulk of the feed to the plant will be from the open pit with the underground mine providing the bulk of the production in the latter years

Metallurgy and Processing

The Company proposes to treat the Pakrut ore on site producing a gravity-float concentrate that will then be passed through the Gekko Intensive Leach Reactor. Kryso believes that this process will not only considerably reduce the initial capital outlay, but also will reduce the footprint of the plant required and result in only a fraction of the ore being exposed to cyanide. While the Company has based its projected gold recoveries on historical testwork, studies are currently underway at SGS Lakefield; these results are expected soon. Based on previous metallurgical testwork programmes, the Company expects recoveries for gold in excess of 90%.

Tailings Storage Facility (TSF)

The TSF will be constructed from the waste material from the open pit. According to the designs submitted by the Company's consultant, the waste stripped from the open pit will provide a TSF sufficient to accommodate any tailings produced from the proposed production as well as from any additional resources that may be incorporated into the mine plan.

Environmental Studies

The Company has contracted Prime Resources (Pty) Ltd, an environmental consultancy based in South Africa, to carry out this study along with a local environmental consultancy based in Dushanbe (LLC Ziderer).

The study is currently being carried out in accordance with the requirements and policies of the World Bank and Equator Principles, and the

baseline study and environmental and social impact assessment report will be presented in the format recommended by the Company's consultants.

Infrastructure and Utilities

Access to Pakrut from the capital city Dushanbe is by a 57km sealed tarmac road to the village of Ramit followed by a 50km dirt road along the Sardi-Mienna River valley.

Electrical power to the mine will require a connection to the national grid to take advantage of the very cheap cost of power in the country.

Process water can be extracted directly from the Pakrut River, which runs all year round. This is easily achieved by running a water pipeline upstream for approximately 1km from the planned site of the plant.

Potable water can be obtained from one of the many local springs that flow all year round; this water is currently being used for cooking, cleaning and drinking.

Personnel

The overall policy of the Company has been to employ local employees wherever possible; this policy will continue. The Company, however, does realise that certain skills are required to build a mine and these skills may not be available locally. Consequently it has already started to employ key expatriate personnel that will assist the company in achieving its goal to begin production.

Development Strategies

The Company has considered three options to develop the Pakrut gold deposit. The preferred option is the simultaneous development of the open pit and underground mine. It is estimated that the project start-up will be in the last quarter of 2008 with the first full production year in 2010.

Capital Costs

The direct capital cost for the existing life of the project has been estimated at US\$81 million. US\$37 million has been budgeted for the construction of the plant and starter tailings' storage facility, US\$15 million for infrastructure and utilities, US\$ 6 million for surface mining equipment and spares, and US\$20 million for underground mining equipment and contractor development. Project overheads, which include engineering studies, project management and administration, have been estimated at US\$3M.

Operating Costs

An open pit mining cost of \$1 per tonne has been assumed. This is over 35% more than the budgeted operating cost for 2008 for an open pit mine in the

north of the country. This particular mine uses a mix of Western and Russian manufactured equipment; this is also the Company's intention.

The underground mining cost is based on industry standard estimating techniques and consideration of costing information available for the proposed longhole stoping method. This cost varies widely depending on geography and the specific nature of the mineral deposit. A range of possible operating costs was determined ranging from \$7.00/t to \$14.00/t. In the event a conservative \$12.00/t was chosen for the purposes of this study.

The overall processing cost for Pakrut is approximately US\$7.78 per tonne of ore milled. This has been calculated by reference to published data on similar operations elsewhere in the world, taking into account local costs in Tajikistan.

The average total operating cost for Pakrut, including royalties, over the six-year operating life is US\$ 20.38/t

Financial Analysis

The following gold price forecasts for the life of the existing resources have been assumed based on averages of predictions from seven major institutions:

•	2008	-	US\$ 868.54
•	2009	-	US\$ 876.83
•	2010	-	US\$ 920.60
•	2011	-	US\$ 1033.50
•	2012	-	US\$ 997.50
•	2013	-	US\$ 650.00
•	2014	-	US\$ 650.00
•	2015	-	US\$ 650.00

Total net cash flow after tax for the project is US\$200M.

This incorporates a cash cost per ounce of gold, including royalties, with ranges between US\$168/oz and US\$365/oz, with an average of US\$291/oz over the life of the project.

As with most projects of this nature, it is sensitive to the gold price, but significant upside potential exists at the current market price for gold.

Future Work

The BFS will be completed by the end of the second quarter of 2008, subject to the completion of the various studies carried out by the Company's consultants. The following, which includes the consultant's studies, have to be completed:

- The metallurgical testwork programme at SGS Lakefield, and the associated plant designs by Gekko
- The geotechnical drilling in order to finalise the pit slope angles
- The final open pit and underground designs and schedules
- The final tailings dam design
- The detailed infrastructure design and capital estimates
- Detailed price schedules for all the capital equipment in order to be within 15% accuracy in the estimates
- Evaluate in detail the different financing and production options available to the Company to ensure that the best financial and practical options are selected

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The interim results of this study have been approved for release by Dr Trevor Davenport B.Sc, M.Sc, Ph.D, MIMM, C.Eng, Chairman of Kryso Resources plc. Trevor has more than 35 years experience in the mining industry and has consented to the inclusion of the material in the form and context in which it appears.

Notes:

Kryso is an AIM-listed mineral exploration and development company focused on progressing the advanced stage Pakrut gold project and the exploration stage Hukas nickel-copper project in Tajikistan.

The Pakrut project has a JORC Code-compliant resource of 1,056,600 ounces of gold assuming a 0.5g/t cut-off grade. Furthermore, almost 85 per cent of Pakrut's JORC Code-compliant resources fall into the Measured and Indicated categories.

Tajikistan is one of the more politically stable nations in Central Asia, and the Company's management team has many years of experience in the country.

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