27 September 2013

kryso
resources corporation limited

Kryso Resources Corporation Limited
('Kryso' or the 'Company')

Interim Results for the Six-Month Period Ended 30 June 2013

Following the Scheme of Arrangement which became effective on 30 July 2013, under which the Kryso Resources Corporation Limited (AIM:KYS), was established as the new holding company of the Kryso Group, Kryso today announces the Interim Results for the six months ended 30 June 2013 for its 100% owned subsidiary, Kryso Resources plc.

Operational Highlights

- Increase to Measured and Indicated JORC Code Compliant mineral resource estimate and declaration of Reserve, as announced on 17 June 2013
  - Measured resource estimate is now 1.9 million oz at 3.16g/t gold at a 0.5g/t cut off, compared to 1.76 million oz at 3.00 g/t as previously announced on 9 May 2012
  - Indicated resource estimate is now 660,000 oz at 2.05 g/t gold at a cut-off of 0.5g/t, compared to 449,000 oz at 1.83 g/t gold as previously announced on 9 May 2012
- Declaration of a proved ore reserve of approximately 1.55 million oz at 3.1 g/t gold at a cut-off of 1.0 g/t and probable ore reserve of approximately 222,258 ounces at 2.5 g/t gold at a cut-off of 1.0 g/t

Corporate Highlights

- Introduction of a new AIM listed holding company incorporated in the Cayman Islands
  - New corporate structure to facilitate potential M&A activity and a listing on the main board of the Hong Kong Stock Exchange

Post period End

- Award of an external power supply contract
- Award of contracts for flotation cells, crushers and ball mills
- Continued progress with mine construction; remain on track to bring the mine into production in 2014

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About the Pakrut Gold Project

The Pakrut gold project, of which Kryso has 100 per cent ownership, is situated in Tajikistan approximately 120km northeast of the capital city Dushanbe. Pakrut has estimated total JORC compliant resources of 4,720,000 oz Au (assuming a cut-off grade of 0.5 grams per tonne of gold) and is located within the Tien Shan gold belt, which extends from Uzbekistan into Tajikistan, Kyrgyzstan and Western China, which hosts a number of multi-million ounce gold deposits.

Construction of the underground mine at the Pakrut Gold Project has commenced. Exploration work continues at Pakrut and other near targets at Eastern Pakrut and Rufigar where the Company expects to be able to further increase the JORC resource.

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.

KRYSO RESOURCES CORPORATION LIMITED
Chairman's Statement

Highlights

During the half year to June 2013 the Company has progressed considerably with the development of the Pakrut Gold Project. A significant milestone was the completion and release of an Independent Technical Report ('ITR') containing an upgraded JORC Code compliant mineral resource estimate and an estimate of contained ore reserves at the project.

The Company has also appointed operational contractors for the site. These include contracts for external power supply, flotation cells, crushers and ball mills. Construction of the mine is now progressing as planned and is on track for completion in 2014, with production still planned for immediately thereafter.

In addition, the Company has successfully introduced a new AIM listed holding company incorporated in the Cayman Islands, in order to better position Kryso for future potential M&A activity and also, in time, for any potential future listing on the Hong Kong Stock Exchange.

Independent Technical Report ('ITR')

As announced on 17 June 2013, Kryso commissioned SRK Consulting China Limited ('SRK') to provide an ITR on the Pakrut Gold Project. The ITR reviewed the updated Bankable Feasibility Study ('BFS') produced by Beijing General Research Institute of Mining and Metallurgy ('BGRIMM') and provided an updated JORC Code compliant mineral resource estimate and maiden JORC Code compliant reserve estimate.

The report concluded that both the Measured and Indicated resource estimates are larger, and the gold grade higher, compared to the previous JORC Code compliant resource estimate compiled by Snowden Mining Industry Consultants ('Snowden'), which was announced on 9 May 2012.

The Measured resource estimate at Pakrut is now 1.9 million oz at 3.16 g/t gold at a 0.5 g/t cut-off, higher than the estimate of 1.76 million oz at 3.00 g/t gold at a 0.5 g/t cut-off previously produced by Snowden. The Indicated resource estimate is now 660,000 oz at 2.05 g/t gold at a 0.5 g/t cut-off, compared to Snowden's previous estimate of 449,000 oz at 1.83 g/t gold at a 0.5 g/t cut-off.

Ore Reserves

SRK also compiled an estimate of the reserves at the Pakrut Gold Project. At a gold cut-off of 1.0 g/t, the Proved ore reserves are approximately 1.55 million oz at 3.1 g/t gold at a cut-off of 1.0 g/t. The Probable ore reserves are approximately 222,258 ounces at 2.5 g/t gold at a cut-off of 1.0 g/t. The combined recovery of processing and metallurgy applied to the ore reserve estimate is 82.99 per cent.

The SRK report also endorsed a revised BGRIMM study which envisages a two stage development process reaching a production capacity of 2,000 tonnes per day ("tpd") in the first stage ("Phase I") and 4,000 tpd in the second stage ("Phase II"), the proposed cost of Phase I, which includes construction, working capital and allowances for cost overruns is $176.5 million. For Phase II the additional capital expenditure is expected to be $46.5 million, which will be funded from operating cash flow from the Pakrut Project once in production. In addition, the BGRIMM study outlined sustaining capital expenditure costs throughout the Project's 19 year mine life of $32.7 million. This cost will be funded from operating cash flow from the Project once in production.

Mine Construction Contracts Awarded

Post period-end, Kryso awarded Shanxi No.3 Electric Power Construction Company ('Shanxi') the contract for the construction of the external power supply network for the Pakrut gold project ('the Construction Contract'). Preparatory works have commenced and the construction period is eight months.

The works to be undertaken by Shanxi under the Construction Contract will include: (1) the retrofit of the 110kV substation at Khamza; (2) the erection of a 110kV power supply line from the Khamza substation to the Pakrut main step-down substation, with a total length of about 73km; and (3) the construction of a 110kV step-down substation at Pakrut.

Kryso also awarded contracts for the supply of ball mills, crushers and flotation cells in relation to the construction of its Pakrut gold project.

Ball mills and related services will be supplied by CITIC Heavy Industries Co. Ltd and NFC (Shenyang) Metallurgical Machinery Co. Ltd, crushers and related services by Metso Minerals (Tianjin) International Trade Co. Ltd and flotation cells and related services by BeiKuang Mechanical & Electrical Technology Co. Ltd.

There are now various contractors on site, working intensely to move this project forward to completion and subsequently production.

Introduction of New AIM Listed Holding Company

On 8 May 2013, Kryso announced the introduction of a new AIM listed holding company incorporated in the Cayman Islands.

This will benefit the company when looking to carry out any potential M&A activities, in particular of non-UK corporate entities. In addition, the new corporate structure will better position Kryso for its potential listing on the main board of the Stock Exchange of Hong Kong, as previously announced.

Financial Highlights

Kryso maintained a robust balance sheet with cash and cash equivalents of US$17,418,000 as at 30 June 2013 (Year ended 31 December 2012: US$26,085,000). The reduction from the Company's year-end cash position is attributed principally to a loss on ordinary activities before tax of US$2,931,000, which includes an increased foreign exchange loss and legal fees incurred in relation to the corporate restructuring referenced above; development costs of US$2,745,000, which include the development of the mine, roads and offices and depreciation on recently acquired equipment; increased inventory levels of $1,146,000; and a reduction in trade and other payables of $1,809,000.

Outlook

With the upgraded JORC Code compliant mineral resource estimate and contracts assigned and operational, Kryso is well advanced towards bringing the Pakrut project into production. Construction is progressing well and the Company remains confident that the project will be in production in 2014.

I would like to take this opportunity to thank all of our employees, management and advisors for their efforts during 2013 and also thank our shareholders for their continued support of our Company. I very much look forward to updating our shareholders on the Company's further progress as we work towards our goal of completing mine construction and bringing the project into production.

Tao Luo
Non-Executive Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2013

KRYSO RESOURCES PLC	Note	Unaudited Six months to 30 June 2013 US$'000	Unaudited Six months to 30 June 2012 US$'000	Audited Year ended 31 December 2012 US$'000
Revenue		-	-	-
Cost of sales		-	-	-
Gross Profit		-	-	-
Administrative expenses		(1,474)	(970)	(3,067)
Project impairment		(1)	-	(466)
(Loss)/gain on foreign exchange		(1,464)	68	637
Operating Loss		(2,939)	(902)	(2,896)
Finance income		8	10	44
Loss before Income Tax	2	(2,931)	(892)	(2,852)
Income tax		-	-	-
Loss for the year attributable to owners of the parent		(2,931)	(892)	(2,852)
Total Comprehensive Income attributable to owners of the parent		(2,931)	(892)	(2,852)
Basic and Diluted Earnings per share attributable to owners of the parent (expressed in dollars per share)	3	$(0.0077)	$(0.0031)	$(0.0091)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

KRYSO RESOURCES PLC	Unaudited 30 June 2013 US$'000	Unaudited 30 June 2012 US$'000	Audited 31 December 2012 US$'000
Non-current Assets			
Intangible assets	59,085	28,275	53,122
Property, plant and equipment	1,673	2,737	1,971
	60,758	31,012	55,093
Current Assets			
Inventories	3,318	1,846	2,172
Trade and other receivables	7,562	504	7,429
Cash and cash equivalents	17,418	7,339	26,085
	28,298	9,689	35,686
Non-Current Liabilities			
Borrowings	(6,091)	-	(6,091)
Total Non-Current Liabilities	(6,091)	-	(6,091)
Current Liabilities			
Trade and other payables	(19,226)	(542)	(18,104)
Total Current Liabilities	(19,226)	(542)	(18,104)
Net Current Assets	9,072	9,147	17,582
Net Assets	63,739	40,159	66,584
Equity attributable to the owners of the parent			
Share capital	6,275	4,773	6,270
Share premium	68,790	40,650	68,709
Retained earnings	(11,326)	(5,264)	(8,395)
Total Equity	63,739	40,159	66,584

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2013

KRYSO RESOURCES PLC

	Unaudited Six months to 30 June 2013 US$'000	Unaudited Six months to 30 June 2012 US$'000	Audited Year ended 31 December 2012 US$'000
Net Cash (used in) / from Operating Activities	(6,016)	111	(1,319)
Cash flows from Investing Activities			
Interest received	8	10	44
Purchase of intangible assets	(2,502)	(4,782)	(8,975)
Purchase of property, plant and equipment	(243)	(1,838)	(1,593)
Net cash used in Investing Activities	(2,737)	(6,610)	(10,524)
Cash flows from Financing Activities			
Proceeds from issuance of share capital (net of issue costs)	86	2,788	26,878
Cash flows from Financing Activities	86	2,788	26,878
Net (Decrease)/Increase in Cash and Cash Equivalents	(8,667)	(3,711)	15,035
Cash and cash equivalents at beginning of period	26,085	11,050	11,050
Cash and cash equivalents at end of period	17,418	7,339	26,085
Reconciliation of Operating Loss to Net Cash (used in) / from Operating Activities			
Loss before income tax	(2,931)	(892)	(2,852)
Finance income	(8)	(10)	(44)
Depreciation	10	11	25
Share based payments	-	-	144
Project impairment	1	-	466
Changes in working capital:			
Inventories	(1,146)	(143)	(469)
Trade and other receivables	(133)	712	(122)
Trade and other payables	(1,809)	433	1,533
Net Cash (used in) / from Operating Activities	(6,016)	111	(1,319)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2013

KRYSO RESOURCES PLC	**Share capital US$'000**	**Share premium US$'000**	**Retained earnings US$'000**	**Total equity US$'000**
Balance at 1 January 2012	4,640	37,995	(4,372)	38,263
Total comprehensive income	-	-	(892)	(892)
Issue of ordinary shares	133	2,655	-	2,788
Total contributions by and distributions to owners of the parent, recognised directly in equity	133	2,655	(892)	1,896
Balance at 30 June 2012	4,773	40,650	(5,264)	40,159
Total comprehensive income	-	-	(1,960)	(1,960)
Share based payment - options granted	-	-	144	144
Share based payment - exercise of warrants	-	1,315	(1,315)	-
Issue of ordinary shares	1,497	26,744	-	28,241
Total contributions by and distributions to owners of the parent, recognised directly in equity	1,497	28,059	(3,131)	26,425
Balance at 31 December 2012	6,270	68,709	(8,395)	66,584
Total comprehensive income	-	-	(2,931)	(2,931)
New shares issued	5	81	-	86
Total contributions by and distributions to owners of the parent, recognised directly in equity	5	81	(2,931)	(2,845)
Balance at 30 June 2013	6,275	68,790	(11,326)	63,739

1. Accounting Policies

Basis of Accounting

These unaudited condensed interim financial statements were approved for issue by the Kryso Resources plc Board of Directors on 26 September 2013.

These condensed interim financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRIC Interpretations. The financial information has been prepared under the historical cost convention. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with IFRS as adopted by the European Union. Statutory financial statements for the year ended 31 December 2012 were approved by the Board of Directors on 7 June 2013 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

These condensed interim financial statements do not constitute statutory accounts within the meaning of the Companies Act 2006.

As permitted, the Group has chosen not to adopt IAS 34 'Interim Financial Statements' in preparing these condensed interim financial statements.

The Group has applied consistent accounting policies in preparing the condensed interim financial statements for the six months ended 30 June 2013, the comparative information for the six months ended 30 June 2012, and the financial statements for the year ended 31 December 2012, except for the adoption of the standards and interpretations described below.

New and amended standards adopted by the Group

IAS 1 (Amended), "Presentation of Items of Other Comprehensive Income" became effective during the period. Items in the consolidated statement of comprehensive income that may be reclassified to profit or loss in subsequent periods are now presented separately from items that will not be reclassified to profit or loss in subsequent periods.

IFRS 13, "Fair value measurement" became effective during the period. The standard requires specific disclosures on fair values, some of which replace existing disclosure requirements in IFRS 7, "Financial instruments: Disclosures".

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2012 Annual Report and Financial Statements, a copy of which is available on the Group's website: www.kryso.com.

Critical accounting estimates and judgements

The preparation of consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in the Group's 2012 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

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 rate of exchange for the US dollar to UK sterling was US$1.56148 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. Subsidiaries are all entities over which the Group has power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. All significant intercompany transactions and balances between group undertakings are eliminated on consolidation.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

Intangible assets

Exploration and Evaluation Expenditure
Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Research expenditure is written off in the year in which it is incurred. The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. When a decision is taken that a mining property becomes viable for commercial production, all further pre-production expenditure is capitalised. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to undertake topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and other activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource.

Mines under construction
All expenditure on the construction, installation or completion of infrastructure facilities is capitalised in “Mines under construction” once the work completed to date supports the future development of the property and such development receives appropriate approvals. Once production starts, all assets included in “Mines under construction” and “Exploration and evaluation assets” will be transferred into “Producing mines” within Mine Properties and stated at cost, less accumulated depreciation and accumulated impairment losses. It is at this point that depreciation / amortisation commences.

Impairment of non-financial assets
Exploration and evaluation assets and mines under construction are assessed for impairment annually or where there is an indication that an asset or CGU may be impaired. If an indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s or CGU’s recoverable amount. The recoverable amount is the higher of an asset’s or CGU’s fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

The assessment is carried out by allocating exploration and evaluation and mines under construction assets to cash generating units which are based on specific projects and geographical areas. Where exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities at the unit, the associated expenditure will be written off to profit or loss.

2. Operating Loss

Operating loss is stated after charging/(crediting):

	Unaudited Six months to 30 June 2013 US$'000	**Unaudited Six months to 30 June 2012 US$'000**	**Audited Year ended 31 December 2012 US$'000**
Depreciation	541	437	957
Less transfer to exploration costs in intangible assets	(531)	(426)	(932)
Project impairment	1	-	466
Operating lease rentals – other	22	46	78
(Gain)/loss on foreign exchange	1,464	(68)	(637)

3. Earnings per Share

Loss attributable to equity holders of the Company (US$'000)	2,931	892	2,852
Weighted average number of ordinary shares in issue	381,218,810	283,859,796	311,874,780

The loss per share is calculated by dividing the loss for the period after tax attributable to equity holders by the weighted average number of ordinary shares in issue during the period. There is no difference between the diluted loss per share and the loss per share shown.