



TSX: KRI

## Khan Files Year End 2011 Financial Results

**TORONTO, ONTARIO, Canada, December 19, 2011** – Khan Resources Inc. (TSX:KRI) ("**Khan**" or "**the Company**") announced today that it has filed its financial statements, management's discussion and analysis and annual information form for the year ended September 30, 2011 on SEDAR and has posted these documents to its website [www.khanresources.com](http://www.khanresources.com).

Highlights for the year include:

- Net loss for the year ended Sep. 30, 2011 was \$3,757,000 or \$0.07 per share compared to a net loss of \$4,130,000 or \$0.08 per share for the same period in 2010.
- Activities related to the International Arbitration action against the Government of Mongolia accelerated during summer and fall of 2011. The action was initiated in January 2011 and the presiding Tribunal was formally constituted on May 9, 2011. A first procedural hearing was held on June 21, 2011. A second hearing was held on September 19, 2011 to decide whether the overall process would involve a single phase hearing all aspects of the action or would be split into two hearings: a first phase to hear jurisdictional matters followed by phase to hear the merits of the case. In late September, Khan and the Government of Mongolia jointly agreed to the two phase approach and the jurisdictional aspects are scheduled to be heard in May 2012.
- In August 2010, Khan initiated a lawsuit in the Ontario Superior Court of Justice against Atomredmetzoloto JSC ("ARMZ") claiming \$300 million in damages for ARMZ's breach of fiduciary duties, unlawful interference in Khan's economic relations and damages to Khan's rights, property and reputation. Through a number of procedural delays, including invoking the Hague Convention claiming the lawsuit was an issue of Russian sovereignty or security, ARMZ avoided being served for a period of time. However, on October 31, 2011 Khan announced that it had obtained an order of the Ontario Superior Court of Justice validating service on Atomredmetzoloto JSC ("ARMZ") in respect of the lawsuit. ARMZ has appealed the decision and the appeal will be heard on January 24, 2012.
- Following the earthquake/tsunami in Japan, the share prices of most uranium companies have declined significantly. As a result, Khan's investment in Macusani Yellowcake Inc. declined to \$2,160,000 compared to the cost base for the investment of \$4,339,000. Macusani raised funds in March 2011 (Khan subscribed for 3 million units) and is currently conducting a further drill program on its properties in Peru.

**Khan Resources Inc.** is a Canadian company engaged in the acquisition, exploration and development of uranium properties. Its current activities are focused on the Dornod uranium property in north-eastern Mongolia.

## **Forward-Looking Statements and Information**

This press release may contain forward-looking statements and forward-looking information, which are subject to certain risks, uncertainties and assumptions. Forward-looking statements and information are characterized by words such as "will", "plan", "expect", "project", "intend", "believe", "anticipate", "forecast", "schedule", "estimate" and similar expressions, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements and information are not historical facts and are based upon a number of estimates and assumptions and are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors, including the impact of international, Mongolian and Canadian laws, trade agreements and regulatory requirements on Khan's business, properties, licenses, operations and capital structure, Khan's ability to re-instate or re-register the Dornod uranium project licenses, regulatory uncertainty and obtaining governmental and regulatory approvals, legislative, political, social, regulatory and economic developments or changes in jurisdictions in which Khan carries on business, the nature and outcome of pending and future litigation, arbitration and other legal proceedings, the speculative nature of exploration and development, risks involved in the exploration, development and mining business, changes in market conditions, changes or disruptions in the securities markets and market fluctuations in prices for Khan securities, the existence of third parties interested in purchasing some or all of the common shares or Khan's assets, the method of funding and availability of any potential alternative strategic transactions involving Khan or its assets, including those transactions that may produce strategic value to shareholders, the need to obtain, maintain and/or re-register licenses and permits and comply with national and international laws, regulations, treaties or other similar requirements, and uncertainty in the estimation of mineral reserves and resources. In addition, a number of other factors could cause actual results to differ materially from the results discussed in such statements and information, and there is no assurance that actual results will be consistent with them. For further details, reference is made to the risk factors discussed or referred to in Khan's annual and interim management's discussion and analyses and Annual Information Form on file with the Canadian securities regulatory authorities and available on SEDAR at [www.sedar.com](http://www.sedar.com). Such forward-looking statements and information are made or given as at the date of this news release, and Khan assumes no obligation to update or revise them, either publicly or otherwise, to reflect new events, information or circumstances, except as may be required under applicable securities law.

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