



CNSX: KRI

## **Khan Files Third Quarter 2012 Financial Results**

**TORONTO, ONTARIO, Canada, 2012** – Khan Resources Inc. (CNSX:KRI) ("**Khan**" or "**the Company**") announced today that it has filed its financial statements and management's discussion and analysis for the three and nine months ended June 30, 2012 on SEDAR and has posted these documents to its website [www.khanresources.com](http://www.khanresources.com).

Highlights for the quarter include:

- On July 26, 2012 the Tribunal hearing the Company's \$200 million international arbitration action against the Government of Mongolia ruled entirely in Khan's favour on matters of jurisdiction and has dismissed all of Mongolia's objections to the continuance of the suit. The action will now progress to the phase in which the panel will rule as to the merits of the arbitral claims and the amount of damages suffered by Khan arising from the Mongolian Government's expropriatory and unlawful treatment of Khan in relation to the Dornod uranium deposit located in northeastern Mongolia.
- On June 30, 2012, the Company recognized non-cash impairment losses of \$15.9 million that have reduced all of the Company's tangible assets to their estimated recoverable values as at June 30, 2012. The Company concluded that it is highly unlikely that the exploration and mining licenses for the Dornod deposit will be renewed and returned. In conjunction with this determination, the Company also decided to close the Dornod Project Camp.
- On Monday, May 14, 2012 the Company's common shares commenced trading through the facilities of the Canadian National Stock Exchange ("CNSX") under the symbol "KRI".
- Regarding the \$300 million lawsuit against Atomredmetzoloto JSC ("ARMZ"), the Company announced on April 20, 2012 that it has filed an appeal with the Court of Appeal for Ontario in relation to the March 12, 2012 decision of the Ontario Superior Court in favour of ARMZ. The appeal is scheduled to be heard on September 11, 2012.
- On April 19, 2012, the Company announced the closing of a non-brokered private placement financing resulting in the issuance of 13,600,000 common shares at a price of \$0.17 per common share for gross proceeds of \$2,312,000. The Company plans to use the proceeds of the offering to advance the international arbitration case against the Government of Mongolia, for the lawsuit against ARMZ and for general corporate purposes.
- The Company's interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in Canadian dollars ("CAD"). Comparative statements, previously prepared in US dollars under Canadian Generally Accepted Accounting

Principles (“GAAP”), have been adjusted for changes in the functional and reporting currencies of the Company and its subsidiaries and other IFRS adjustments.

### **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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