



CNSX: KRI

## **Khan Files Year End 2012 Financial Results**

**TORONTO, ONTARIO, Canada, December 18, 2012** – Khan Resources Inc. (CNSX:KRI) ("**Khan**" or "**the Company**") announced today that it has filed its financial statements and management discussion and analysis for the year ended September 30, 2012 on Sedar and has posted these documents to its website [www.khanresources.com](http://www.khanresources.com).

Highlights for the year include:

- International arbitration action against the Government of Mongolia — Submissions on the merits and damages arising from the Mongolian Government's expropriatory and unlawful treatment of Khan were filed by the Company on December 7, 2012. Khan's claim has been revised upwards from \$200 to \$326 million. This submission was pursuant the Tribunal's ruling on July 26, 2012 which was entirely in Khan's favour on matters of jurisdiction. The Tribunal dismissed all of Mongolia's objections to the continuance of the suit.
- The decision of the Court of Appeal for Ontario remains pending regarding the \$300 million lawsuit against Atomredmetzoloto JSC ("ARMZ"). The appeal was heard on September 11, 2012.
- The Company closed and began decommissioning the Dornod site on June 30, 2012 and consequently recognized non-cash impairment losses of \$16.1 million related to the Dornod Project.
- On September 30, 2012, the Company recorded an impairment loss of \$1,953,000 on its investment in shares of Macusani Yellowcake Inc. ("Macusani").
- On May 14, 2012 the Company's common shares commenced trading through the facilities of the Canadian National Stock Exchange ("CNSX") under the symbol "KRI".
- 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 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.

- The following table summarizes financial results of the Company for the fourth quarter and the years ended September 30, 2012 and 2011.

In thousands of dollars

	2012	2011	Change
			%
Net loss			
Three months ended September 30	<b>(2,544)</b>	(939)	-170.9%
Twelve months ended September 30	<b>(21,623)</b>	(3,824)	-465.5%
Basic and diluted earnings per share (CA cents)			
Three months ended September 30	<b>(0.04)</b>	(0.02)	-116.0%
Twelve months ended September 30	<b>(0.36)</b>	(0.07)	-404.6%
Cash flow			
Year ended September 30	<b>(1,247)</b>	(4,933)	74.7%
Cash and cash equivalents			
As at September 30	<b>4,680</b>	5,927	-21.0%

## 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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