



TSX: KRI

Khan Files Third Quarter 2011 Financial Results

TORONTO, ONTARIO, Canada, August 12, 2011 – Khan Resources Inc. (TSX: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 month periods ended June 30, 2011 on SEDAR and has posted these documents to its website www.khanresources.com.

Highlights for the third quarter include:

- Net loss for the three month period ended June 30, 2011 was \$1,374,000 or \$0.02 per share compared to a net loss of \$1,587,000 or \$0.03 per share for the same period in 2010.
- Net loss for the nine month period ended June 30, 2011 was \$2,344,000 or \$0.04 per share compared to a net loss of \$3,684,000 or \$0.07 per share for the same period in 2010.
- Activities related to the International Arbitration action against the Government of Mongolia accelerated during the third quarter with the formal constitution of the presiding Tribunal on May 9, 2011. A first procedural hearing was held on June 21, 2011. The second hearing is scheduled for September 19, 2011 to assess whether the action should be split into a jurisdictional component and a merit component or continue with a single combined jurisdictional/merit component.
- The hearing on Khan's motion in the Ontario Superior Court of Justice to dispense with or order substitute service in respect of its lawsuit against ARMZ was delayed by the court to allow ARMZ to cross-examine Khan's counsel. This took place in July and a new court date of September 7, 2011 has now been set to hear Khan's original motion.
- Following the earthquake/tsunami in Japan, the share prices of most uranium companies has declined. As a result, Khan's investment in Macusani Yellowcake Inc. declined to \$3,028,000 compared to the cost base for the investment of \$4,339,000. With share prices for uranium companies now recovering and with Macusani's drill program in Peru having recommenced, Khan's investment in Macusani is expected to recover from the current depressed level.

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. 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.

Investor Relations Contacts:

Grant Edey
Khan Resources Inc.
President & CEO
Office: 416.360.3405
gedey@rogers.com

Bruce Gooding
Khan Resources Inc.
Chief Financial Officer
Office: 416.360.3405
bgooding@khanresources.com