



TSX: KRI

Khan Wins Service Motion in ARMZ Litigation

TORONTO, ONTARIO, Canada, October 31, 2011 ó Khan Resources Inc. (TSX:KRI) ("**Khan**") announced today that it has obtained an order of the Ontario Superior Court of Justice validating service on Atomredmetzoloto JSC (öARMZö) in respect of Khan's \$300 million lawsuit for damages against ARMZ.

The application to the Court followed Khan's February 7, 2011 announcement that the Russian Ministry of Justice refused to effect service on ARMZ. The Ministry of Justice cited Article 13 of the Hague Convention that provides that the State addressed may refuse to effect service "only if it deems that compliance would infringe its sovereignty or securityö. Originally scheduled for April 18, 2011, the motion was heard on September 7, 2011 after a number of procedural delays. The Court initially reserved its decision but released its decision today in favour of Khan.

Mr. Grant Edey, President and Chief Executive Officer of Khan, commented "We are pleased that the Court refused to permit ARMZ to continue to avoid or delay the litigation by relying on the Russian Ministry of Justice's refusal to effect service in Russia. The fact is that ARMZ and their Canadian lawyers have been actively involved in the litigation for several months. The Court ruling recognizes this. We are hopeful that ARMZ will now begin to deal with the litigation on its merits rather than continue to resort to further delay tactics to avoid facing a Canadian court action."

Khan intends to continue to vigorously defend its rights and interests, including pursuing all available rights and remedies in Canada and elsewhere.

Khan Resources Inc. (TSX:KRI) is a Canadian company engaged in the acquisition, exploration and development of uranium properties. Its current activities are focused on the Dornod area in northeastern Mongolia.

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