



Khan Files Third Quarter 2016 Financial Results

TORONTO, ONTARIO, Canada, August 19, 2016 – Khan Resources Inc. (CSE:KRI) ("**Khan**" or "**the Company**") announced today that it has filed its financial statements and management's discussion and analysis for the six months ended June 30, 2016 on SEDAR and has posted these documents to its website www.khanresources.com.

Highlights

International Arbitration Settlement – On March 2, 2015 the international arbitration tribunal rendered an award to Khan as compensation for the Government of Mongolia's illegal actions in relation to the cancellation of Khan's uranium licenses in 2009.

On March 6, 2016, the Company signed a settlement agreement with the Government of Mongolia under which Mongolia would pay the Company US\$70 million on or before May 16, 2016 and all outstanding matters pursuant to the international arbitration award would be resolved and terminated.

On May 18, 2016, the Company announced that Khan and the Government of Mongolia had signed all of the documentation required for the release of the US\$70 million from an escrow account to Khan. The funds have now been received. In addition, Khan's petition for certification of the international arbitration award filed in June 2015 in the US District Court in the District of Columbia, has now been dismissed.

Over the last few months, liabilities have been discharged and alternatives have been evaluated to distribute the net proceeds to shareholders in a timely and efficient manner. To this end, the Company's corporate structure has been simplified and fiscal year-ends for the Khan group of companies have been better aligned. In addition, on August 17, 2016, Khan Resources Bermuda Ltd. was sold to an independent third party. The sale included three other Khan subsidiaries, namely CAUC Holding Company Ltd. CAUC LLC and Khan Resources LLC.

Having consulted with its various professional advisors, the Company has concluded that the above reorganization and the sale of Khan Bermuda and its subsidiaries will accelerate and maximize shareholder distribution by simplifying the corporate structure and avoiding the need to wind-up and repatriate cash from these foreign subsidiaries in multiply jurisdictions and reducing or eliminating any risks to Khan associated with such subsidiaries.

Cash – The major cash inflow during the nine months ended June 30, 2016, was US\$70,000,000 of the settlement proceeds from the Government of Mongolia; in addition, officers and employees of the Company exercised 3,680,000 stock options resulting in a cash inflow of \$1,407,675. A portion of the proceeds are being used for general corporate matters and legal and tax consulting services to develop procedures to distribute the majority of the proceeds to shareholders. Cash and cash equivalents at June 30, 2016 stood at \$87,164,000.

The following table summarizes financial results of the Company for the nine months ended June 30, 2016 and 2015.

In thousands of dollars

	2016	2015	Change %
Net income (loss) from continuing operations			
Three months ended June 30	84,314	(650)	13071.4%
Nine months ended June 30	83,495	(2,082)	4110.3%
Net income (loss) from discontinued operations			
Three months ended June 30	-	5	0.0%
Nine months ended June 30		(3)	100.0%
Basic loss per share (\$)			
Three months ended June 30	0.96	(0.01)	9700.0%
Nine months ended June 30	0.98	(0.03)	3366.7%
Diluted earning (loss) per share (\$)			
Three months ended June 30	0.95	(0.01)	9600.0%
Nine months ended June 30	0.97	(0.03)	3333.3%
Cash flow			
Nine months ended June 30	85,593	1,365	6170.5%
Cash and cash equivalents			
As at June 30	87,164	1,717	4976.5%
Working Capital			
As at June 30	86,647	1,742	4874.0%

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. 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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