Khan Resources Inc.
Management's Discussion and Analysis
June 30, 2011

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For the three and nine months ended June 30, 2011

This Managementôs Discussion and Analysis (ñMD&Aò) provides a discussion and analysis of the financial condition and results of operations of Khan Resources Inc. (the ñCompanyò or ñKhanò) for the three and nine months ended June 30, 2011, and is intended to be read in conjunction with the unaudited interim consolidated financial statements of the Company for the three and nine months ended June 30, 2011 and 2010 and the related notes thereto. The interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (ñCanadian GAAPò). Unless otherwise indicated, all amounts in this MD&A are expressed in United States dollars.

The date of this MD&A is August 11, 2011.

Auditor Involvement

The auditor of Khan has not performed a review of the unaudited interim consolidated financial statements for the three and nine months ended June 30, 2011 and 2010.

Highlights – Third Quarter, 2011

- 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. (See ñInternational Arbitrationò below).

- The hearing on Khanôs 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 Khanôs counsel. This took place in July and a new court date of September 7, 2011 has now been set to hear Khanôs original motion. (See ñARMZò below).

- Following the earthquake/tsunami in Japan, the share prices of most uranium companies has declined. As a result, Khanôs 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 Macusaniôs drill program in Peru having recommenced, Khanôs investment in Macusani is expected to recover from the current depressed level. See ñMacusani Yellowcake Inc.ò below).

Company Profile

Khan is a Canadian-based mineral exploration and development company engaged in the acquisition, exploration and development of uranium. The Company and its predecessors have held interests for the last 15 years in certain uranium properties that are located in the Dornod district of north eastern Mongolia. These uranium properties are known as the Dornod Uranium Project and currently consist of a 58% interest in the ñMain Dornod Propertyò (defined below) and a 100% interest in the ñAdditional Dornod Propertyò (defined below). The Company expects its interests in the Main Dornod Property and the Additional Dornod Property to decrease as a result of the passage of the Nuclear Energy Law in July 2009. The

Company has also been affected by other recent developments in Mongolia that may, in turn, impact its properties and assets and its interests therein. See ñSignificant Developmentsò below for further details.

The Main Dornod Property consists of an open pit mine (ñDornod Deposit No. 2ò) and approximately two-thirds of an underground deposit (ñDornod Deposit No. 7ò). From 1988 to 1995, JSC Priargunsky Industrial Mining and Chemical Union (ñPriargunskyò), a Russian state owned company, extracted approximately 590,000 tonnes of ore at an average grade of 0.118 per cent uranium oxide (ñU_3O_8ò) from Dornod Deposit No. 2. At Dornod Deposit No. 7, two shafts have been sunk to depths of 510 and 500 metres and approximately 20,000 metres of development drifts, which extend onto the Additional Dornod Property, are in place. The mining license in respect of the Main Dornod Property is registered in the name of Central Asian Uranium Company LLC (ñCAUCò), a Mongolian company, in which the Company currently holds a 58% interest through its subsidiary CAUC Holding Company Limited (ñCAUC Holdingò). The other shareholders of CAUC, who each currently hold a 21% interest are MonAtom LLC (ñMonAtomò), a Mongolian state owned company and Priargunsky. Khan operates the Main Dornod Property through a joint venture with MonAtom and Priargunsky. In January 2010, CAUC received a formal notice from the State Property Committee of Mongolia (ñSPCò) requiring CAUC to propose to its shareholders a resolution to approve an increase of the Mongolian State ownership in CAUC to 51%, which resolution was subsequently authorized and approved by MonAtom and CAUC Holding, and submitted to the SPC (see ñSignificant Developments - Mineral Licenses - Nuclear Energy Lawò below for further details).

The Additional Dornod Property is contiguous to the Main Dornod Property and consists of approximately one third of Deposit No. 7 and part of another underground deposit. The exploration license in respect of the Additional Dornod Property is registered in the name of Khan Resources LLC (ñKRLò), a Mongolian company in which the Company currently holds a 100% interest through subsidiaries. Although no formal notice has been received, the Company expects that the Additional Dornod Property will be subject to Mongolian State ownership of 51% as a result of the passage of the Nuclear Energy Law in 2009.

The Company also holds 15,523,330 common shares of Macusani Yellowcake Inc. (ñMacusaniò). Macusani is a Canadian TSX Venture Exchange company which holds uranium properties in the Macusani Plateau district of Peru. The Company initially invested in Macusani on November 30, 2009 and has subsequently subscribed to two additional share offerings by that company. Khanõs current shareholding represents approximately 14.7% of the outstanding commons shares of Macusani. Khan also holds 4,031,665 Macusani share purchase warrants. Further details concerning Khanõs investment in Macusani are set out below under the section entitled ñSignificant Developments ï Macusani Yellowcake Inc.ò.

Significant Developments

Mineral Licenses

On July 16, 2009, the Mongolian Parliament passed a new Nuclear Energy Law that, amongst many other things, effectively required that the Mongolian state be provided 51% ownership of the Dornod Uranium Project free of charge. In addition, all existing exploration and mining licenses, including those held by CAUC and KRL were required to be renewed and re-registered. Khan submitted the applications for the renewal and re-registration of the mining license and exploration license for the Dornod Uranium Project on November 10, 2009. The applications were in compliance with the requirements of the new legislation, including the requirement to state that the license holder accepted the ability of the Mongolian State to take an ownership interest in the license-holder.

In April, 2010, the Company announced that it had received notices from the Mongolian Nuclear Energy Agency (the ñNEAò) stating that the mining license for the Main Dornod Property and the exploration license for the Additional Dornod Property had been invalidated. Shortly thereafter, CAUC and KRL filed separate formal claims in the Capital City Administrative Court (the ñCourtò) in Mongolia challenging the legal basis for the notices received from the NEA purporting to invalidate CAUCọs mining license and KRLọs exploration license. In July 2010, the Court ruled in favour of CAUC and declared that the previous decision by the NEA to invalidate CAUCọs mining license was itself illegal and invalid. This decision was subsequently appealed by the NEA but the appeal was unsuccessful. In August 2010, the Court also ruled in favour of KRL and declared that the previous purported decision by the NEA to invalidate KRLọs exploration license was itself illegal and invalid.

On November 12, 2010, the NEA published what it called an official notification in certain Mongolian newspapers stating that it did not intend to reissue the CAUC and KRL licenses. The notices broadly accused KRL and CAUC, amongst other things, of disrespecting state laws and legislation and failing to fulfill conditions and requirements set out by law. The newspaper notice did not constitute an official decision which must include the legal reasons for making such a decision pursuant to Mongolian law. The NEA continues to hold to their position of not reissuing the licenses. The Company continues to believe that there exists no legal basis for the NEA to refuse to reinstate and re-register its licenses and that it has always acted in conformance with Mongolian laws.

International Arbitration

The Company announced on January 10, 2011 that it had formally commenced an international arbitration action against the Government of Mongolia for its expropriatory and unlawful treatment of Khan in relation to the Dornod Uranium Project. The claim seeks over US$200 million in compensation for losses and damages.

The arbitration, which is brought by Khan and several of its subsidiaries is governed by the Arbitration Rules of the United Nations Commission on International Trade Law, and asserts claims under the Energy Charter Treaty, the Foreign Investment Law of Mongolia, and the Founding Agreement between Khan and the Mongolian Government. The claim was served on various officials of the Government of Mongolia on January 10, 2011.

The Tribunal that will preside over the International Arbitration action was constituted on May 9, 2011 and consists of three well-known and highly respected international arbitrators: Mr. Yves Fortier of Canada (appointed by Khan); Mr. Bernard Hanotiau of Belgium (appointed by Mongolia) and Mr. David A.R. Williams of New Zealand (appointed as the presiding arbitrator by Messrs. Fortier and Hanotiau).

The Tribunal held its first hearing on June 21, 2011 to discuss scheduling and procedural matters. Prior to this hearing, Mongolian counsel for the action had brought a motion seeking ñbifurcationò of the hearings into two separate phases: the first phase to hear various jurisdictional objections made by Mongolia (asserting, for example, that the Tribunal does not have jurisdiction over certain of the claims and parties included in the arbitration, or, alternatively, that the Tribunal many not consider all of the claims together in a single case), and then a second phase to hear the merits of the case. The Tribunal has requested written submissions from each party on the matter and a hearing has been scheduled for September 19, 2011 to address the bifurcation issue.

The Tribunal has issued a scheduling order providing that if Mongolia is successful in its bifurcation motion, then the Tribunal will hold a 2-3 day hearing on the jurisdictional objections in May 2012, and (unless all of the objections are sustained), will then hold a week-long hearing on merits and damages in November 2013. The Tribunalọs scheduling order further provides that, if Mongolia is not successful in its bifurcation motion, then a single week-long hearing addressing all of the issues in the case (i.e., jurisdiction, merits and damages) will be held in February 2013.

Khan believes that Mongolia has made its motion for bifurcation solely for the purpose of delay, that the Tribunal should deny the motion, and that a single hearing addressing all of the issues in the case should be held in February 2013. Although investor-state arbitration cases brought under international investment treaties and laws typically require substantial periods of time to complete, Khan believes that the Tribunaløs scheduling order provides for a reasonably timely schedule under either of the two scenarios discussed above.

Khan and its counsel, Crowell & Moring LLP, an international law firm headquartered in Washington, D.C., with extensive experience in investor-state arbitration cases, are currently preparing for the September 19, 2011 hearing and subsequent proceedings.

The Company continues to believe it has a very strong case against the Government of Mongolia and will press its case vigorously. However, the Company continues to make all efforts to come to a reasonable settlement with the Government of these issues outside of taking the arbitration to completion.

ARMZ

On August 20, 2010, the Company announced that it and certain of its subsidiaries had filed a statement of claim against Atomredmetzoloto JSC (ñARMZò) and its affiliate Priargunsky, with the Ontario Superior Court of Justice. The claim has been brought by the Company and certain of its subsidiaries, and seeks damages from ARMZ and its affiliate in the total amount of CDN$300,000,000, including equitable compensation resulting from their breach of fiduciary duties as one of Khan's joint venture partners and a shareholder of CAUC, general damages resulting from their unlawful interference with the plaintiffs' economic relations, general damages resulting from their deliberately causing damage to Khanøs and its subsidiaries' rights, business reputation and property and aggravated, exemplary and punitive damages.

The statement of claim alleges, among other things, that the harmful conduct of ARMZ and it affiliates, namely in seeking to establish a joint venture with the Government of Mongolia over the Dornod uranium region without regard to Khan's rights and interests, impugning the legitimacy of Khan's interests in Mongolia, interfering with its economic relations with MonAtom (Khan's other joint venture partner in CAUC and the Mongolian state-owned entity with which Khan sought to pursue a strategic transaction), and interfering with the competing and superior take-over bid by CNNC, all with the goal of eliminating Khan's interests in Mongolia, has caused Khan, its subsidiaries and its shareholders substantial damage. Subsequent to filing the statement of claim against ARMZ, various reports have circulated concerning the advancement of a proposed Dornod uranium joint venture between the Russian and Mongolian Governments to develop the Dornod region to the exclusion of Khan and its subsidiaries. These reports culminated in an announcement on December 14, 2010 that Russia and Mongolia signed an agreement in principle for the creation of a joint venture to develop the Dornod resource. According to ARMZøs press release on their website, the agreement was signed on December 14, 2010 by Rosatom Corp. (Russiaøs nuclear power company), ARMZ, Mongoliaøs state owned MonAtom and the NEA and approves the terms and conditions of the Dornod Uranium Joint Venture. In June, 2011, Mongolian President Elbegdorj visited Moscow and reportedly signed a further agreement with Russia confirming each sideøs desire to consummate the Dornod Uranium Joint Venture.

The statement of claim against ARMZ and Priargunsky was filed with the Russian Department of Justice to be legally served in accordance with the applicable law. The Department of Justice has informed the Company that it has refused to serve ARMZ and Priargunsky with the Companyøs statement of claim based on Article 13 of the Hague Convention. Article 13 states that service can be denied only if the State deems that compliance would infringe its sovereignty or security.

Following the refusal by the Department of Justice of Russia to serve ARMZ and Priargunsky with the Companyøs statement of claim, the Company filed a motion with the Ontario Superior Court of Justice seeking an order dispensing with or substituting service of the statement of claim on ARMZ and Priargunsky. The motion was scheduled to be heard on April 18, 2011. Prior to the scheduled date of the motion, at the request of ARMZ, the parties agreed to adjourn the hearing so as to allow the parties to have settlement discussions. The settlement discussions were not successful and Khan reinitiated its motion which was re-scheduled to be heard on June 29, 2011.

ARMZ then successfully petitioned the Court to allow ARMZ to cross-examine Khan and its counsel on Khanøs request to dispense with the need for service. The cross-examination took place in July. A new Court date to hear Khanøs original motion to dispense with or substitute service has now been set for September 7, 2011.

Although the Russian state entity, ARMZ, has so far been able to avoid this Ontario Court case, Khan intends to vigorously defend its rights and interests, including pursuing all available rights and remedies in Canada and elsewhere.

Macusani Yellowcake Inc.

From November, 2009, through March, 2011, the Company, through a combination of private placements and prospectus offerings, has purchased 15,523,330 common shares of Macusani Yellowcake Inc. and 4,031,665 share purchase warrants. The Companyøs holdings of common shares represent approximately 14.7% of the outstanding common shares of Macusani. The Companyøs cost basis for its purchases aggregates to $4.3 million.

On June 30, 2011, the closing share price for Macusani was C$0.18 per share. The closing price for Macusani listed share purchase warrants with an exercise price of C$0.85 was C$0.085 while the value for the unlisted share purchase warrants with an exercise price of C$0.35 was C$0.00. As of June 30, 2011, the market value for the Companyøs Macusani holdings totalled $3.0 million. An unrealized loss on the investment of $4.5 million, net of income tax recovery of $0.6 million, was recorded in the comprehensive income for the quarter.

As of the date of this MD&A, the market value of the Companyøs investment in Macusani was C$3.0 million.

Uranium Prices

From mid-2010, the spot price for U_3O_8 appreciated dramatically from US$40 per lb. to almost US$75 per lb. by early March 2011. However, the Tohoku earthquake and subsequent tsunami in Japan on March 11, 2011 caused extensive damage to the Fukushima Daiichi nuclear station and resulted in reassessments of nuclear programs in many parts of the world. Uranium prices have fallen subsequent to that event and on June 30, 2011 stood at approximately US$54.00 per lb. Uranium prices appear to have stabilized around this level, currently standing at US$52.00 per lb. It is expected that uranium prices will start to appreciate in the near future as countries recommit to their previously announced nuclear programmes.

Overall Performance

Financial

Total assets of the Company at June 30, 2011 were $25,636,000 compared with $30,096,000 at September 30, 2010. The net decrease of $4,460,000 resulted from the decreases in current assets of $4,103,000, in investments of $373,000 and capital assets of $127,000 offset by the increase in mineral interests of $143,000. The decrease in current assets was due primarily to the cash used in operating and investing activities during the nine months ended June 30, 2011. The decrease in investments was due to the decrease in the market value of Macusani common shares. The increase in mineral interests was due to costs incurred on the Dornod Uranium Project.

Three months ended June 30, 2011 and 2010

During the three months ended June 30, 2011, the Company incurred a net loss of $1,374,000 or $0.02 per share compared with $1,587,000 or $0.03 per share in the comparable period of 2010. The net decrease of $213,000 was due to the decreases in general corporate expense of $355,000, Mongolian operations expense of $72,000, amortization expense of $4,000, write-off assets of $2,000 and the increases in revenue of $12,000, foreign exchange gain of $485,000 and recovery of income taxes of $635,000; offset by an increase in stock-based compensation of $82,000.

During the three months ended June 30, 2011, the Company recorded a comprehensive loss of $5,812,000. An unrealized holding loss on available-for-sale securities of $5,073,000, less future tax recovery of $635,000, increased the comprehensive loss to $5,812,000 from the net loss of $1,374,000. During the three months ended June 30, 2010, the Company incurred a comprehensive loss of $2,702,000. An unrealized holding loss on available-for-sale securities of $1,115,000 increased the comprehensive loss to $2,702,000 from the net loss of 1,587,000.

During the three months ended June 30, 2011, cash decreased by $607,000 compared with $1,645,000 in the comparable period of 2010.

The cash used in operating activities was $622,000 in 2011 compared with $1,110,000 in 2010. The decrease of $488,000 was due to the increase in revenue of $12,000 and the decreases in general corporate expense of $355,000, Mongolian operations expense of $72,000 and in cash required for changes in non-cash working capital balances related to operations of $53,000; offset by the decrease in realized foreign exchange gain of $4,000.

The cash used in investing activities was $15,000 in 2011 compared with $82,000 in 2010, a decrease of $67,000. Mineral interests used cash of $15,000 in 2011 compared with $82,000 in 2010. The decrease of $67,000 resulted from the lower level of activity at the Dornod Uranium Project in 2011.

There were no financial activities during the three months ended June 30, 2011 and June 30, 2010.

The foreign exchange gain on cash was $30,000 in 2011 compared with loss of $453,000 in 2010. Cash balances are primarily held in Canadian dollars. The foreign exchange gain on cash was due to the increase in value of the Canadian dollar in terms of the United States dollar during the period.

Nine months ended June 30, 2011 and 2010

During the nine months ended June 30, 2011, the Company incurred a net loss of $2,344,000 or $0.04 per share compared with $3,684,000 or $0.07 per share in the comparable period of 2010. The net decrease of $1,340,000 was due to the increases in revenue of $36,000, foreign exchange gain of $338,000 and recovery of income taxes of $357,000 and the decreases in general corporate expense of $1,506,000, Mongolian operations expense of $96,000 and amortization expense of $9,000; offset by the increases in stock-based compensation expense of $287,000 and write-off of assets of $1,000.

During the nine months ended June 30, 2011, the Company recorded a comprehensive loss of $4,812,000. An unrealized holding loss on available-for-sale securities of $2,821,000, less future tax recovery of $353,000, increased the comprehensive loss to $4,812,000 from a net loss of $2,344,000. During the nine months ended June 30, 2010, the Company incurred a comprehensive loss of $3,885,000. An unrealized holding loss on available-for-sale securities of $201,000, increased the comprehensive loss to 3,885,000 from the net loss of $3,684,000

During the nine months ended June 30, 2011, cash decreased by $4,057,000 compared with $5,603,000 in the comparable period of 2010.

The cash used in operating activities was $2,021,000 in 2011 compared with $3,468,000 in 2010. The decrease of $1,447,000 was due to the increases in revenue of $36,000 and realized foreign exchange gain of $1,000 and the decreases in general corporate expense of $1,506,000 and Mongolian operation expense of $96,000; offset by the increase in cash required for the changes in non-cash working capital balances related to operations of $192,000.

The cash used in investing activities was $2,592,000 in 2011 compared with $2,297,000 in 2010, an increase of $295,000. Purchase of investments was $2,448,000 in 2011 compared with $1,891,000 in 2010. The purchase of capital assets used cash of $68,000 in 2010 and there was no comparable amount in 2011. Mineral interests used cash of $144,000 in 2011 compared with $338,000 in 2010. The decrease of $194,000 resulted from the lower level of activity at the Dornod Uranium Project in 2011.

The cash provided by financing activities for the nine month period was $62,000 and there was no comparable amount in 2010. In 2011, the exercise of stock options provided cash of $62,000.

The foreign exchange gain on cash was $494,000 in 2011 compared with $162,000 in 2010. Cash balances are primarily held in Canadian dollars. The foreign exchange gain on cash was due to the increase in value of the Canadian dollar in terms of the United States dollar during the period.

Results of Operations

As a development stage company, Khan has no operating history and has incurred losses in the three and nine months ended June 30, 2011 and the three and nine months ended June 30, 2010. Based on the current exploration and development plans for the Dornod Uranium Project, the Company expects to incur losses for the foreseeable future and will require additional funds to finance exploration and development activities.

Three months ended June 30, 2011 and 2010

Revenue

Revenue increased by $12,000 due to $13,000 of rental revenue from a sublet of office space in 2011 offset by the decrease in interest income by $1,000. There was no rental revenue in 2010.

Interest revenue decreased by $1,000 during the three months ended June 30, 2011 from the comparable period in 2010 due to lower cash balances.

Expenses

Total expenses decreased by $836,000 during the three months ended June 30, 2011 from the comparable period in 2010 due to the decreases in general corporate expense of $355,000, Mongolian operations expense of $72,000, amortization expense of $4,000, write-off assets of $2,000 and the increase in foreign exchange gain of $485,000; offset by the increase in stock-based compensation of $82,000.

General corporate expense decreased by $355,000 in 2011 compared with 2010. The following table illustrates the major items included in general corporate expense:

	Three months ended June 30, 2011 000ôs	Three months ended June 30, 2010 000ôs
Accounting and audit	$ 55	$ 38
Investor relations	4	31
Insurance	34	26
Legal	177	394
Management remuneration	235	270
Office and travel	96	197
	$ 601	$ 956

Major factors responsible for the changes in general corporate expense were as follows:

- Accounting and audit expense increased due to fees related to the transition to IFRS;
- Investor relations expense decreased due to a lower level of activity;
- Insurance expense increased due to higher premiums for directors and officers insurance;
- Legal fees and expenses decreased due to a lower level of activity;
- Management remuneration expense decreased due to change from full-time to part-time basis for certain staff and lower directorsô fees;
- Office and travel costs decreased due to a lower level of activity.

Mongolian operations expense decreased by $72,000 in 2011 compared with 2010 due to fewer staff and a lower level of activity.

Amortization expense decreased by $4,000 in 2011 compared with 2010 as a number of assets became fully amortized in 2011.

Stock-based compensation expense increased by $82,000 in 2011 compared with 2010 due to the higher expense for the vesting of outstanding options. In 2011, 1,225,000 stock options were granted and there were no options granted in 2010. A significant portion of options granted in prior years was fully vested by September 30, 2009; thus a lower expense for the vesting of options was recorded in 2010.

The increase in foreign exchange gain of $485,000 from a $459,000 loss in 2010 to a $26,000 gain in 2011 was primarily due to the fluctuation in value of the Canadian dollar in terms of the United States dollar and the amount of Canadian dollars on hand. In 2011, at the beginning of the fiscal period, the Canadian dollar was 1.0314 in terms of the United States dollar compared with 1.0368 at the end of the fiscal period. In 2010, at the beginning of the fiscal period, the Canadian dollar was $0.9844 in terms of the United States dollar compared with $0.9393 at the end of the fiscal period. The average Canadian dollars on hand was 98% of cash during 2011 compared with 91% during 2010.

Mineral Interests

During the three months ended June 30, 2011, the deferred development costs, consisting mainly of camp operations and site maintenance incurred on the Dornod Uranium Project, were $15,000. The following table sets out the change in deferred development costs:

	As at March 31, 2011 000's	Costs incurred during the three months ended June 30, 2011 000's	As at June 30, 2011 000's
Deferred development costs			
Dornod Uranium Project, Mongolia	$ 12,140	$ 15	$ 12,155

Nine months ended June 30, 2011 and 2010

Revenue

Revenue increased by $36,000 due to $13,000 of rental revenue from a sublet of office space in 2011 and an increase in interest income by $23,000. There was no rental revenue in 2010. Interest income increased by $23,000 during the nine months ended June 30, 2011 from the comparable period in 2010 due to higher interest rates.

Expenses

Total expenses decreased by $1,661,000 during the nine months ended June 30, 2011 from the comparable period in 2010 due to the increase in foreign exchange gain of $338,000 and the decreases in general corporate expense of $1,506,000, Mongolian operations expense of $96,000 and amortization expense of $9,000; offset by the increases in stock-based compensation expense of $287,000 and write-off of assets of $1,000.

General corporate expense decreased by $1,506,000 in 2011 compared with 2010. The following table illustrates the major items included in general corporate expense:

	Nine months ended June 30, 2011 000's	Nine months ended June 30, 2010 000's
Accounting and audit	$ 164	$ 136
Investor relations	74	180
Insurance	103	73
Legal	437	1,076
Management remuneration	678	855
Office and travel	318	960
	$ 1,774	$ 3,280

Major factors responsible for the changes in general corporate expense were as follows:

- Accounting and audit expense increased due to fees related to the transition to IFRS;
- Investor relations expense decreased due to a lower level of activity;
- Insurance expense increased due to higher premiums for directors and officers insurance;
- Legal fees and expenses decreased due to a lower level of activity;
- Management remuneration expense decreased due to change from full-time to part-time basis for certain staff and lower directors' fees;
- Office and travel costs decreased due to a lower level of activity.

Mongolian operations expense decreased by $96,000 in 2011 compared with 2010 due to fewer staff and lower level of activity.

Amortization expense decreased by $9,000 in 2011 compared with 2010 as a number of assets became fully amortized in 2011.

Stock-based compensation expense increased by $287,000 in 2011 compared with 2010 due to the higher expense associated with 1,225,000 stock options granted during the nine months ended June 30, 2011. There were no options granted in the nine months ended June 30, 2010.

The increase in foreign exchange gain of $338,000 from $160,000 in 2010 to $498,000 in 2011 was primarily due to the fluctuation in value of the Canadian dollar in terms of the United States dollar and the amount of Canadian dollars on hand. In 2011, at the beginning of the fiscal period, the Canadian dollar was 0.9718 in terms of the United States dollar compared with 1.0368 at the end of the fiscal period. In 2010, at the beginning of the fiscal period, the Canadian dollar was $0.9340 in terms of the United States dollar compared with $0.9393 at the end of the fiscal period. The average Canadian dollars on hand was 96% of cash during 2011 compared with 89% during 2010.

Mineral Interests

During the nine months ended June 30, 2011, the deferred development costs, consisting mainly of camp operations and site maintenance incurred on the Dornod Uranium Project, were $143,000. The following table sets out the change in deferred development costs:

	As at September 30, 2010 000ôs	Costs incurred during the nine months ended June 30, 2011 000ôs	As at June 30, 2011 000ôs
Deferred development costs Dornod Uranium Project, Mongolia	$ 12,012	$ 143	$ 12,155

Summary of Quarterly Results

The following table sets out the financial results for Khanôs eight most recently completed quarters. The results are expressed in thousands of dollars except per share amounts.

	Quarter ended June 30, 2011 $000ôs	Quarter ended March 31, 2011 $000ôs	Quarter ended December 31, 2010 $000ôs	Quarter ended September 30, 2010 $000ôs
Revenue	$ 29	$ 20	$ 24	$ 20
Expenses	1,403	1,024	(10)	624
Net income (loss)	(1,374)	(1,004)	34	(604)
Net income (loss) per common share - basic and diluted	$ (0.02)	$ (0.02)	$ 0.00	$ (0.01)

	Quarter ended June 30, 2010 $000ôs	Quarter ended March 31, 2010 $000ôs	Quarter ended December 31, 2009 $000ôs	Quarter ended September 30, 2009 $000ôs
Revenue	$ 17	$ 9	$ 11	$ 20
Expenses	1,604	1,280	837	(304)

Net income (loss)	(1,587)	(1,271)	(826)	324
Net income (loss) per common share - basic and diluted	$ (0.03)	$ (0.02)	$ (0.02)	$ 0.01

Over the past eight quarters, variations in the quarterly net income or net loss have usually been caused by fluctuations in general corporate expense, stock-based compensation expense, foreign exchange gain or loss and other expense items. General and corporate expense varies according to the level of activity in the head office. Stock-based compensation expense varies from quarter to quarter depending on the number of stock options granted and vested in the quarter. The foreign exchange gain or loss arises from the translation of amounts denominated in foreign currencies to United States dollars.

Liquidity and Capital Resources

As at June 30, 2011, the Company had working capital of $6,406,000 (September 30, 2010 - $10,446,000) which comprised cash of $6,497,000,000 (September 30, 2010 - $10,554,000), accounts receivable in the amount of $69,000 (September 30, 2010 - $59,000), prepaid expenses and other assets in the amount of $131,000 (September 30, 2010 - $191,000), restricted cash in the amount of $55,000 (September 30, 2010 - $51,000) and current liabilities of $346,000 (September 30, 2010 - $409,000).

The Company earns no income from operations and any significant improvement in working capital results from the issuance of share capital. For the nine months ended June 30, 2011, the operating activities of Khan used cash of $2,021,000 (2010 - $2,358,000), the investing activities, which consisted of the purchase of investments, capital assets and mineral interests used cash of $2,592,000 (2010 - $2,215,000), the financing activities provided cash of $62,000 (2010 ï nil) and the foreign exchange gain on cash was $494,000 (2010 - $615,000). The Companyõs last primary financing activity was on March 1, 2007, when the Company completed a public offering of 8,150,000 Common Shares. The Company remains very attentive to ensuring that cash balances are utilized efficiently and effectively.

The Company believes that it has sufficient financial resources to pay its ongoing general corporate and Mongolian operations expenses and to meet its liabilities over the next year. This expectation is based on the forecast costs associated with maintaining the current operations. The Company considers the re-instatement, re-registration and maintenance of the mining and exploration licenses for the Dornod Uranium Project, an updated joint venture agreement in respect of the CAUC joint venture and the successful negotiation of an investment agreement with the Government of Mongolia to be major prerequisites to any major mine development work. If these are achieved, the subsequent development of the Dornod Uranium Project will depend on, among other things, the Companyõs ability to obtain additional financing, and political and regulatory developments or changes in Mongolia. The Company has issued common shares, warrants and agentsô options from time to time to advance the Project through various stages of development; however, debt may be required to bring the Dornod Uranium Project into production. There can be no assurance that the Company will be successful in raising the required financing.

The Companyõs capital resources are also dependent on the existence of a profitable market for the sale of mineralized material that it may discover, develop or acquire. There can be no assurance that the uranium price will sustain a level that will enable the Dornod Uranium Project to be mined at a profit.

Khanôs operations are exposed to significant risks of legislative, political, social, regulatory and economic developments or changes in the jurisdictions in which it carries on business. Any such changes are beyond the Companyôs control and may adversely affect Khanôs business, properties and assets.

The Company does not have any contractual obligations, including those in the nature of long-term debt, capital lease obligations, operating leases, purchase obligations or other long-term obligations other than a five-year lease for office space that commenced on March 1, 2006 The lease has been extended for one year under the same terms and conditions. The total expected rent until the termination of the lease is $71,000.

Outstanding Share Data

The following table sets forth particulars of the fully-diluted share capitalization of Khan as at the date of this MD&A:

Securities	Number of Common Shares
Issued and outstanding common shares	54,225,445
Shares issuable upon exercise of stock options	4,390,334
Total	58,615,779

Transactions with Related Parties

There were no transactions with related parties during the nine months ended June 30, 2011 and June 30, 2010.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Critical Accounting Estimates

The Companyôs significant accounting policies are described in note 2 to the audited consolidated financial statements for the year ended September 30, 2010. Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Management uses its judgment and knowledge from past experience as a basis for estimates and other assumptions in connection with the preparation of the financial statements. Managementôs estimates and assumptions are evaluated and updated regularly. The actual results of the Company may materially differ if management were to use different estimates and assumptions. The following accounting estimates are what management currently considers being the most critical in the preparation of the Companyôs financial statements.

Mineral interests

The carrying values for development and exploration properties are cost less any write down to recognize impairment. Management reviews properties when events or changes in circumstances suggest that the carrying value of certain long-lived assets may not be recoverable. An asset impairment charge will be required if the undiscounted cash flows do not exceed the carrying value of the asset tested. The charge to earnings will be the difference between the assetôs fair value and the carrying value. Future cash flows are estimated by management based on estimated uranium prices, operating costs, production volume, reclamation costs, capital expenditures and mineral reserves. Each of these variables is subject to uncertainty and risk.

Assets held for sale are separately presented in the consolidated balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are not depreciated while they are classified as held for sale.

Asset retirement obligations

The Company is subject to environmental protection laws governing reclamation of its development and exploration properties. These laws are continually changing and these changes may affect the procedures and costs required to complete reclamation obligations. Estimates of the fair value of the liabilities for asset retirement obligations are recognized in the period they are incurred. Actual future reclamation costs may be materially different from the costs estimated by the Company.

Contingencies

An estimated contingent loss is recorded when it is determined from available information that a loss is probable and that the amount can be reasonably estimated. Contingent liabilities involve the exercise of judgment and an estimate of future outcomes.

Stock-based compensation expense

The Company has a stock-based compensation plan. The Company accounts for stock options using the fair value method. The determination of the fair value of stock options issued requires management to estimate future stock volatility and a risk-free rate of return. Management uses the Black-Scholes option pricing model to estimate the fair value of Khanõs stock options. The assumptions made may change from time to time.

Financial Instruments

The Companyõs financial instruments consist of cash, accounts receivable, restricted cash, investments and accounts payable and accrued liabilities.

Fair Value

Cash is designated as held for trading and therefore carried at fair value with the unrealized gains or losses recorded in the consolidated statements of operations and deficit. Accounts receivable are designated as loans and receivables and, therefore, carried at amortized cost with the gains and losses recognized in the consolidated statements of operations and deficit in the period that the asset is derecognized or impaired. Restricted cash is designated as held for trading and, therefore, carried at fair value with the unrealized gains or losses recorded in the consolidated statements of operations and deficit. Investments are designated as available-for-sale and recorded at fair value with unrealized gains and losses recognized in the statement of comprehensive loss and realized gains and losses recognized in the consolidated statement of operations and deficit. Accounts payable and accrued liabilities are designated as other financial liabilities and therefore carried at amortized cost with the gains or losses recognized in the consolidated statements of operation and deficit when the financial liability is derecognized or impaired. The estimated fair values of accounts receivable and accounts payable and accrued liabilities approximate their respective carrying values.

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Companyӳ primary exposure to credit risk is on its bank accounts and guaranteed investment certificates. Bank accounts are held with major banks in Canada and Mongolia. As the majority of the Companyӳ cash is held by a Canadian bank and the guaranteed investment certificate is also held by the same Canadian bank, there is a concentration of credit risk with one bank in Canada. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Companyӳ secondary exposure to credit risk is on its accounts receivable. This risk is minimal as accounts receivable consist primarily of refundable government taxes.

Currency Risk

The Company operates in Canada and Mongolia and is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency. The majority of these transactions are in Canadian dollars. The Companyӳ cash, accounts receivable, restricted cash, investments and accounts payable and accrued liabilities that are held in Canadian dollars, Euros and Mongolian togrogs are subject to fluctuation against the United States dollar.

Interest Rate Risk

The Company is exposed to interest rate risk as bank accounts earn interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The income earned on these bank accounts is subject to the movements in interest rates.

The Company also records transaction costs related to the acquisition or issue of held for trading financial instruments to the consolidated statements of operations and deficit as incurred. Transaction costs related to financial instruments not designated as held for trading are included in the financial instrumentӳ initial recognition amount.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Companyӳ objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances.

Change in Presentation Currency

Effective October 1, 2011, the Company will change its presentation currency to the Canadian dollar. The change in presentation currency is being made to be consistent with the Companyӳ functional currency under the new International Financial Reporting Standards (see next section). Until October 1, 2011, the company will continue to present its annual and interim consolidated financial statements in the US dollar. In making this change to the presentation currency, the Company will follow the guidance in International Accounting Standard (IAS) 21 *The Effects of Changes in Foreign Exchange Rates* and will apply the change retrospectively as if the new presentation currency had always been the Companyӳ reporting currency. In accordance with IAS 21, the financial statements for all years and periods presented will be translated into the new presentation currency as follows:

All assets and liabilities will be translated from their functional currency into the new presentation currency at the beginning of the comparative period, October 1, 2010, using the opening exchange rate and retranslated at the closing rate at the date of each balance sheet;

Income and expenses for each statement of comprehensive income presented will be retranslated at average exchange rates prevailing during each reporting period;

All resulting exchange differences will be recognized in other comprehensive income and accumulated as a separate component of equity.

International Financial Reporting Standards

On February 13, 2008, the Canadian Accounting Standards Board (AcSB) confirmed 2011 as the official changeover date for publicly listed Canadian companies to start using International Financial Reporting Standards (IFRS). The transition will affect interim and annual financial statements relating to years beginning on or after January 1, 2011. For the Company, the first annual IFRS financial statements would be prepared for the year ended September 30, 2012 and the first interim financial statements under IFRS would be for the three months ended December 31, 2011. These financial statements would also include comparative amounts for the 2011 fiscal year prepared on an IFRS basis.

The Company has prepared a comprehensive IFRS conversion plan and engaged third party advisors to assist with the planning and implementation of its conversion to IFRS. As part of the analysis of potential changes to significant accounting policies, the Company is assessing what changes may be required to its accounting systems and business processes. The adoption of IFRS requires the application of IFRS 1 ï First-time Adoption of International Financial Reporting Standards (ñIFRS 1ò) which provides guidance for an entityós initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period, however IFRS 1 also provides certain optional exceptions and mandatory exceptions to this retrospective treatment. By the time of this MD&A, the Company was able to identify major differences between IFRS and GAAP applicable to the Company, analyzed choices regarding accounting policies where IFRS allows alternatives, make decisions of IFRS 1 exemptions and prepare preliminary first-time adoption reconciliation required under IFRS 1 between GAAP and IFRS opening balance sheet as at October 1, 2010. The adoption of IFRS will result in some changes to the Companyós accounting policies, financial statementsô presentation and disclosures and modification of accounting software system. The following areas will have the greatest impact on the Companyós accounting policies, financial reporting and information system requirements:

Standards	IFRS accounting differences	Preliminary findings
Mineral interests *(Included in IFRS 6, IAS 16 and IAS 38)*	Under IFRS a distinction is made between tangible and intangible assets such as mineral rights and other licenses. Such assets are not separately presented but are included as asset classes under property, plant and equipment and intangible assets.	Management is currently assessing the reclassification requirement. There is no impact on the consolidated financial statements.

Standards	IFRS accounting differences	Preliminary findings
Property, plant and equipment (PPE) *(IAS 16)*	After initial recognition, there is the option to measure PPE using the cost model or the revaluation model under IAS 16. IAS 16 is more explicit in how to separately account for the significant parts of an asset and about the treatment of costs incurred subsequently to add to, replace part of, or service an item.	The Company will continue to use the cost model. There is no impact on the consolidated financial statements. The Company has determined that its PPE assets will not need to be re-componentized as of the transition date. There is no impact on the consolidated financial statements.
Impairment of assets *(IAS 36)*	IAS 36 does not include a separate ñtriggerò for recognizing impairment losses based on an assessment of undiscounted cash flows. Instead a single-step impairment testing of assets at the independent cash generating unit (CGU) level will be required. In addition, future cash flows used to determine the value of assets for impairment testing are discounted.	Impairments are likely to occur more often under IFRS as the undiscounted cash flow assessment is removed and assets are assessed directly at their recoverable amount (fair value). The Company has determined that it has one CGU, the Dornod property. Management is currently assessing the consequent impact of this fact.
Foreign currency translation *(IAS 21)*	IAS 21 takes a ñfunctional currencyò approach whereby each entity, whether a stand-alone entity, an entity with foreign operations (such as a parent) or a foreign operation (such as a subsidiary) determines its functional currency (the currency of the primary economic environment in which the entity operates). The results and financial position of any individual entity within the reporting entity are then translated in accordance with the standard.	The Company has determined that the functional currency of the reporting entity and all foreign subsidiaries except those in Mongolia is the Canadian dollar. The functional currency of the two Mongolian subsidiaries is the Mongolian togrog. Effective October 1, the Company will present its consolidated financial statements in Canadian dollars consistent with the functional currency of the

Standards	IFRS accounting differences	Preliminary findings
		Company.
Earnings per share (EPS) *(IAS 33)*	IAS 33 has a different method for calculating the number of incremental shares to be included in determining year-to-date EPS. Dilution under IAS 33 is a reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, options or warrants are exercised, or ordinary shares are issued upon the satisfaction of specified conditions. The treasury stock method is not used.	As the treasury stock method assumes that only ñin the moneyò option proceeds are used to purchase registered shares of the Company at the average market price during the year, the number of shares used to compute diluted EPS will be greater; all incremental shares will be included. The Company has determined that this change in measurement will slightly increase the dilution of EPS. The net impact is currently being assessed by the Company.
Income taxes *(IAS 12)*	Although the broad principles are the same, there are numerous specific differences under IAS 12. In addition the tax aspects of each accounting policy choice and requirement as well as each IFRS 1 election set out below will need to be considered.	The net impact is currently being assessed by the Company. Depending on the changes involved, this may involve the recognition of additional deferred tax assets and liabilities. There should be no impact to the actual tax paid by the Company. The Company retains the services of professional tax advisers to arrive at informed decisions and to ensure that all requirements of tax regulatory bodies continue to be addressed under IFRSs.

The Company has assessed other relevant standards, including, but not limited to, IAS 18 *Revenue*, IAS 23 *Borrowing Costs*, IAS 24 *Related Party Disclosures*, IAS 27 *Consolidated and Separate Financial*

Statements, IFRS 2 *Share-based Payments*, IFRS 3 *Business Combinations* and a group of standards covering *Financial Instruments*, IAS 32, IAS 39 and IFRS 7.

The Company has also chosen certain exemptions from the retrospective applications of IFRS at the transition date that are provided by IFRS 1. The selections that are relevant to the Company are set out in the following table. The Companyôs current intentions are also indicated.

This list is not meant to be comprehensive but reflects the differences management has determined to be the most relevant at this time.

Optional exemption	Companyôs election
Business combinations	A first time adopter may elect not to retrospectively restate any business combinations prior to the date of transition (i.e. prospective application of IFRS 3). For many Canadian entities that have completed acquisitions since inception electing to apply this exemption may save a lot of time, costs and resources. The Company intends to use this exemption.
Share-based payment transactions	A first time adopter is encouraged but not required to retrospectively apply IFRS 2 to equity instruments (equity settled transactions) granted on or before November 7, 2002. Similarly, a first time adopter is encouraged but not required to apply IFRS 2 to equity instruments that were granted after November 7, 2002 and that vested before the date of transition to IFRS. The Company intends to use this exemption.
Fair value or revaluation as deemed cost	This exemption allows the Company to initially measure an item of Property, Plant or Equipment on transition to IFRS at fair value or a previous valuation under Canadian GAAP. The Company may selectively apply this exemption when historical information is not available for specific assets.
Cumulative translation differences	A first time adopter is permitted to reset the cumulative translation differences to zero by recognizing the full amount in the retained earnings of the opening balance sheet. This exemption allows entities to avoid the adjustments to the balance which would be required as a result of the IFRS transition adjustments of foreign operations. The Company intends to use this exemption.

The IFRS accounting differences, preliminary findings concerning accounting policies and the IFRS 1 selections set out above are based on current IFRS which are subject to change. The Companyøs reporting under IFRS in fiscal 2012 will be based on the standards effective for that year. Accordingly, the Company continues to monitor standards development by the International Accounting Standards Board and the AcSB.

Risks and Uncertainties

Khanøs success depends upon a number of factors, many of which are beyond its control. Typical risk factors include, among others, political risk, financing risk, title risks, exploration and development risks, joint venture risks, commodity price, and currency exchange rate risks, operating and environmental hazards encountered in the mining business and changing laws and public policies. Risk factors are more fully described in the Companyøs Annual Information Form (the ñAIFò) filed on SEDAR on December 17, 2010.

Disclosure Controls and Procedures

Management has designed disclosure controls and procedures (ñDC&Pò) to provide a reasonable assurance that (i) material information relating to the Company is made known to them by others, particularly during the period in which the annual filings are being prepared and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal Control over Financial Reporting

Management has designed internal control over financial reporting (ñICFRò) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

Evaluation of DC&P and ICFR

The Companyøs Chief Executive Officer and Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Companyøs DC&P and ICFR at the financial year end and have concluded that the Companyøs DC&P and ICFR were effective at the financial year end based on that evaluation.

No changes in ICFR in Third Quarter

There were no changes in the Companyøs policies and procedures and other processes that comprise its ICFR during the period beginning on April 1, 2011 and ended on June 30, 2011, that have materially affected, or are reasonably likely to materially affect, the Companyøs ICFR.

Additional Information

Additional information, including the Annual Information Form (ñAIFò) of the Company, is available by accessing SEDAR.

Cautionary Note Regarding Forward-Looking Information

This managementõs discussion and analysis contains ñforward-looking statementsò and ñforward-looking informationò that are not historical facts and which include, but are not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects, the future price of uranium, the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage, and the timing and possible outcome of pending and potential litigation and regulatory matters. Often, but not always, forward-looking statements and information can be identified by the use of words such as ñplansò, ñexpectsò, ñis expectedò, ñbudgetò, ñscheduledò, ñestimatesò, ñforecastsò, ñintendsò, ñanticipatesò, or ñbelievesò or variations (including negative variations) of such words and phrases, or state that certain actions, events, performance or results ñmayò, ñcouldò, ñwouldò, ñmightò or ñwillò be taken, occur or be achieved. Forward-looking statements and information have been prepared for internal planning purposes and may not be appropriate for other purposes. Forward-looking statements and information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, events or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements and information. Such risks, uncertainties and factors include, among others: significant business, economic, competitive, political, regulatory and social uncertainties and contingencies; the impact of International, Mongolian and Canadian laws, trade agreements, treaties and regulatory requirements on Khanõs business, licenses, operations and capital structure; Khanõs ability to re-instate, re-register and maintain its licenses; regulatory uncertainty and obtaining governmental and regulatory approvals; legislative, political, social, regulatory and economic developments or changes in jurisdictions in which Khan and Macusani carry on business; the nature and outcome of pending and future litigation, arbitration and other legal or regulatory proceedings; the speculative nature of mineral exploration and development; changes in project parameters as plans continue to be refined; the actual results of exploration or reclamation activities; possible variations in ore grades or recovery rates; changes in market conditions; changes or disruptions in the securities markets and market fluctuations in prices for Khanõs securities; the lack of any strategic or alternative transactions or the terms and conditions of any such transactions not being acceptable; the existence of third parties interested in purchasing some or all of the common shares or Khanõs assets; the method of funding and availability of potential strategic transactions involving Khan, including those transactions that may produce strategic value to shareholders; changes in the worldwide price of certain commodities such as uranium, coal, fuel, electricity and fluctuations in resource prices; fluctuations in currency exchange rates and interest rates, including fluctuations in the value of United States and Canadian dollars relative to the Mongolian Togrog; inflationary pressures; the occurrence of natural disasters, hostilities, acts of war or terrorism; the need to obtain and maintain licenses and permits and comply with national and international laws, regulations, treaties or other similar requirements; risks involved in the exploration, development and mining business; operating or technical difficulties in connection with mining or development activities, including conducting such activities in remote locations with limited infrastructure; employee relations and shortages of skilled personnel and contractors; and uncertainty in the estimation of mineral reserves and resources that will be encountered if any property is developed; failure of plant, equipment or processes to operate as anticipated; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Mongolia, Bermuda, the British Virgin Islands or the Netherlands, as well as other risks associated with resource exploration and mine development described under the heading ñRisk Factorsò in the AIF. Although the Company believes that the assumptions inherent in the forward-looking statements and information are reasonable, undue reliance should not be placed on these statements and information. Forward-looking statements and information contained herein are made as of the date of this document and the Company disclaims any obligation to update any forward-looking statements or information, whether as a result of new information, future events or results or otherwise, except as required under applicable laws. There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results, performance, achievements and events could differ materially from those anticipated in such statements and information. Accordingly, readers should not place undue reliance on forward-looking statements or information.