



TSX: KRI

Khan Files Second Quarter 2012 Financial Results

TORONTO, ONTARIO, Canada, May 4, 2012 – 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 six months ended March 31, 2012 on SEDAR and has posted these documents to its website www.khanresources.com.

Highlights for the quarter include:

- The Company's interim financial statements have been prepared in accordance with IFRS and in Canadian dollars. 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 net loss for the three-month period ended March 31, 2012 was \$1,259,000 or \$0.02 per share compared to a net loss of \$1,222,000 or \$0.02 per share for the same period in 2011.
- In respect of the \$200 million International Arbitration action against the Government of Mongolia, a hearing on jurisdictional matters will be held May 14 to May 16, 2012. As a result, activity levels were high in the second quarter preparing and submitting briefs in advance of the actual hearing. Submissions were made to the Tribunal on February 3, 2012 and on April 23, 2012. The Company remains confident of a favourable outcome to the arbitration action.
- In respect of the \$300 million lawsuit against Atomredmetzoloto JSC ("ARMZ"), the Company announced on March 12, 2012 that it had received the decision of Justice O'Marra of the Superior Court of Justice of Ontario allowing an appeal by ARMZ of the previous decision of the Superior Court which had validated service of a statement of claim in respect of Khan's lawsuit against ARMZ. On April 20, 2012, Khan announced that it has filed an appeal with the Court of Appeal for Ontario in relation to the March decision of the Superior Court.
- On April 12, 2012, the Company announced that it had received a notice from the Toronto Stock Exchange ("TSX") that the TSX has decided to delist the Company's securities effective at the close of market on May 11, 2011. The Company's common shares have been conditionally approved for trading on the Canadian National Stock Exchange ("CNSX") and the Company is in the process of completing the listing procedures for the CNSX.
- 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 and for general corporate purposes.

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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