



CNSX: KRI

Unfavourable Decision for Khan in ARMZ Litigation

TORONTO, ONTARIO, Canada, April 2, 2013 – Khan Resources Inc. (CNSX:KRI) ("Khan" or "the Company") announced today that it has received the decision of the Court of Appeal for Ontario in respect of Khan's attempts to effect service of its lawsuit against Atomredmetzoloto JSC ("ARMZ") in which it is seeking damages of \$300 million. The Court of Appeal dismissed Khan's appeal and its attempts to validate, substitute or dispense with service of the Statement of Claim.

Khan has been attempting to effect service of the lawsuit on ARMZ since late 2010. After following the necessary procedures in Russia to serve ARMZ, Khan's attempts at service were stymied when the Russian Ministry of Justice refused to effect service. 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 security". The Ministry of Justice provided no reason or explanation for why service of Khan's lawsuit would infringe Russian sovereignty or security.

Mr. Grant Edey, President and Chief Executive Officer of Khan commented "We are disappointed by the outcome of the decision. We find it highly regrettable that ARMZ, a business with substantial interests in Canada, can engage in business with a Canadian company and then be sheltered by its shareholder, the Government of Russia, from being held accountable in a Canadian court for the wrongdoing and the damages inflicted on Khan and its shareholders."

Khan is reviewing the decision and is considering the options available to it.

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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