



TSX: KRI

Khan Files Second Quarter 2011 Financial Results

TORONTO, ONTARIO, Canada, May 10, 2011 – 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 month periods ended March 31, 2011 on SEDAR and has posted these documents to its website www.khanresources.com.

From a financial perspective, the Company's net loss for the three month period and six month period ended March 31, 2011 was \$0.02 and \$0.02 per share respectively compared to losses of \$0.02 and \$0.04 for the same periods in the prior year. During the second quarter, the Company also subscribed for 3 million units of Macusani Yellowcake Inc. ("YEL") each unit consisting of one common share and one half share purchase warrant exercisable at \$0.85 per share for two years. The Company's investment in YEL at March 31, 2011 was \$8.1 million based on period end market values and \$4.3 million based on cost.

Significant developments during the second quarter included the filing on January 10, 2011 of an international arbitration action against the Government of Mongolia for its unlawful and expropriatory treatment of Khan in respect of the Dornod deposit. The Tribunal will consist of three well-known and highly respected international arbitrators: Mr. L. 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 is expected to convene an in-person hearing to discuss the procedure by which the arbitration will proceed in the very near future.

In addition, subsequent to the end of the second quarter, Khan and ARMZ entered into settlement discussions in an attempt to resolve Khan's \$300 million lawsuit against ARMZ. The discussions were not successful and Khan will reintroduce a motion in the Ontario Superior Court of Justice to dispense with or order substitute service in respect of the suit.

Khan Resources Inc. is a Canadian company engaged in the acquisition, exploration and development of uranium properties. Its current activities are focused on the Dornod uranium property in north-eastern Mongolia.

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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