



TSX SYMBOL: KRI

September 11, 2007

Khan Statement Confirming Special Exploration License is Valid

TORONTO, ONTARIO--(Marketwire - Sept. 11, 2007) - On August 17, 2007, Khan Resources Inc. (TSX:KRI) announced that it had received notice from the Mineral Resources and Petroleum Authority of Mongolia ("MRPAM") advising that MRPAM has determined that the decision to issue Khan's special exploration license 9282X, in respect of the property referred to as the Additional Dornod Property, is considered invalid. On August 23, 2007, following conversations with officials at MRPAM, Khan Resources announced that it had been advised by MRPAM that Khan's special exploration license 9282X has not been rendered invalid, but rather is subject to review by MRPAM and may be declared invalid.

The management and Board of Directors of Khan are pleased to announce that the Chairman of the MRPAM has now issued a statement clarifying that the notice sent to Khan and 17 other companies operating in Mongolia does not invalidate Khan's special exploration license 9282X. The MRPAM statement (the full text of which is attached to this release) provides that the notices were provided to companies which hold exploration licenses on mineral deposits that are ready for mining development. In that regard, the Chairman of MRPAM has stated:

"In this connection, I would like to emphasize that if the concerned license holders change them into exploitation or pre-exploitation or production licenses in accordance with the Minerals law they are most welcome. Important is to accept the legal framework that companies can not anymore continue possessing exploration licenses in areas where exploration has initialized long ago and instead they are obliged to move on to develop the deposits. They have absolutely no risk to loose (sic) their rights, if they fulfill the legal requirements."

Khan has been and continues to take all steps necessary to convert its special exploration license 9282X into a mining license in accordance with the Mongolian Minerals Law. On August 15, 2007, Khan announced that it has completed a Pre-Feasibility Study for its Dornod Uranium Project in north eastern Mongolia.

Khan Resources (TSX:KRI) is a Canadian acquisition, exploration and uranium development company. Its current activities are focused on the Dornod area in north eastern Mongolia, the site of a former Russian open-pit uranium mine. Khan holds interests in the Main Dornod Property, licensed for mining, and in the Additional Dornod Property, licensed for exploration. The Company's website is www.khanresources.com.

STATEMENT
by the
CHAIRMAN OF THE MINERAL RESOURCES AND PETROLEUM
AUTHORITY OF MONGOLIA

September 10,2007

Welcoming the active and valuable inputs from different stakeholders in the mining industry and some foreign countries' representatives in the past few days, I would like to take this opportunity to officially address the recent issue concerning some mineral exploration licenses.

Expressing my sincere thanks for your keen attention and interest in mining sector's development of Mongolia let me give you the following explanations:

It is obvious that the notice of August 14, 2007 given by MRPAM Cadastral Centre to 18 international and national companies about invalidation of their exploration licenses has caused a serious concern among them as well as other investors.

The notice was given following the recommendations of the State Audit Board, which discovered that the area covered by the 34 licenses out of more than six thousand currently effective licenses, had been explored by state budget in the past and according to law, passed by Parliament on July 8, 2006, the exploration licenses had to be revoked, because they were covering mineral deposits ready for mining development.

In this connection, I would like to emphasize that if the concerned license holders change them into exploitation or pre-exploitation or production licenses in accordance with the Minerals law they are most welcome. Important is to accept the legal framework that companies can not anymore continue possessing exploration licenses in areas where exploration has finalized long ago instead they are obliged to move on to develop the deposits. They have absolutely no risk to loose their rights, if they fulfill the legal requirements.

To let you know, so far not a single license out of the 34 has been invalidated by me, because Mongolian Government has no hidden agenda to take away these licenses. So let me assure you that the MRPAM is fully committed to strictly following the Minerals Law, which protects interests of both foreign and domestic investors. As a matter of fact every mining operation conducted according to the law is running with no disruption. For example, one of the largest mining projects with foreign investment Boroo Gold has been enjoying excellent advantages thanks to the stability agreement and has extracted in its operation years total 26 tons of gold (not including the 2007 production), while paying no income taxes. I am very confident that Ivanhoe Mines' Oyu Tolgoi Investment Agreement, which has been recently approved by the Government, will pass the Parliament soon.

I greatly encourage the international and national companies to continue their oil and gas exploration projects and programmes. Petroleum exploration has become another great investment opportunity in Mongolian resources sector. Mining policy of Mongolia as well as our international standard licensing system will not be changed, because it is a cornerstone of our national development and prosperity.

So finally, there is no need to worry about the unlawful revision of these licenses. Let us cooperate and continue our business as usual.

Thank you,

Luvsanvandan Bold

Chairman

Mineral Resources and Petroleum Authority of Mongolia

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INDUSTRY: Manufacturing and Production-Mining and Metals

SUBJECT: MEX

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