



**TSX:KRI**

**KHAN RECEIVES NOTICE FROM STATE PROPERTY COMMITTEE AND PROVIDES  
FURTHER UPDATE ON DEVELOPMENTS IN MONGOLIA**

**TORONTO, ONTARIO, January 11, 2010** – Khan Resources Inc. (TSX:KRI) ("Khan") wishes to provide a further update concerning the new Nuclear Energy Law that was approved by the Mongolian Parliament on July 16, 2009. Khan continues to advance discussions with the Mongolian state owned company, MonAtom LLC ("Monatom"), to find a mutually satisfactory solution which complies with Mongolian laws and maximizes value for all stakeholders. As previously reported, the Nuclear Energy Law states that it gives the Mongolian Government the right to take ownership without payment of not less than 51% of the shares of a project or joint venture if uranium resources were determined through exploration with State funding, or not less than 34% if State funding was not used during exploration to determine the resource. To that effect, Khan wishes to announce that its 58% owned Mongolian subsidiary, Central Asian Uranium Company, Limited ("CAUC"), has received a formal notice from the State Property Committee of Mongolia ("SPC") requiring CAUC to propose to its shareholders a resolution to approve an increase of the Mongolian State ownership in CAUC to 51%. The notice provides that if a favourable resolution is not provided to SPC by January 31, 2010, CAUC's mining license may be in danger of revocation.

"We view this notice as part of the process of implementing the new Nuclear Energy Law", said Martin Quick, President and Chief Executive Officer of Khan. "We have been working cooperatively with representatives of the Mongolian Government in an effort to reach a mutually satisfactory arrangement that will provide the framework which allows the Government of Mongolia to achieve its goals while also protecting Khan's investment in the project and enabling us as the operator to proceed with the development of the mine. Our discussions have been constructive, and are continuing. As set out in our Directors' Circular, we believe that even with 51% Government participation, the Dornod property is highly valuable to Khan and that value is not recognized in ARMZ' hostile bid."

On November 30, 2009, Atomredmetzoloto JSC ("ARMZ") launched an unsolicited take-over bid for all of the shares of Khan (the "ARMZ Offer"). On December 15, 2009, the Board of Directors of Khan issued its Directors' Circular unanimously recommending that shareholders reject the ARMZ Offer. The Board continues to believe that the ARMZ Offer is an opportunistic attempt by ARMZ to take advantage of the regulatory uncertainty in Mongolia, and that in addition to being inadequate and failing to provide full value to Khan shareholders, the ARMZ Offer contains objectionable conditions that are prejudicial to Khan and its shareholders.

CAUC is currently 58% owned by Khan, 21% owned by MonAtom, a Mongolian state owned company, and 21% owned by JSC Priargunsky Industrial Mining and Chemical Union ("JSC PIMCU"), a subsidiary of ARMZ. CAUC holds the mining license for the Main Dornod Property. As previously announced, the mining license was temporarily suspended in July 2009, and CAUC has submitted an application to re-register the mining license under the new Nuclear Energy Law passed in July 2009.

More information about the circumstances in Mongolia and the ARMZ Offer is provided in the Directors' Circular dated December 15, 2009 issued by Khan's Board of Directors. The Board continues to stand by its unanimous recommendation that shareholders reject the ARMZ Offer and not tender their shares to the

ARMZ Offer. Khan strongly urges shareholders to read the Directors' Circular in its entirety and particularly the detailed "Reasons for Rejection" set out therein and summarized in Khan's related press release dated December 15, 2009, copies of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **ABOUT KHAN RESOURCES INC.**

**Khan Resources Inc. (TSX:KRI)** is a Canadian company engaged in the acquisition, exploration and development of uranium properties. Its current activities are focused on the Dornod area in northeastern 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](http://www.khanresources.com).

### ***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 Mongolian and Canadian laws and regulatory requirements on ARMZ's Offer and Khan's business, properties, licenses, operations and capital structure, Khan's ability to re-register its existing licenses, regulatory uncertainty and obtaining governmental approvals, legislative, political, social, regulatory and economic developments or changes in jurisdictions in which Khan and ARMZ carry on business, 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 lack of any alternative transactions or the terms and conditions of any alternative transactions not being acceptable, the method of funding and availability of potential alternative strategic transactions involving Khan, including those transactions that may produce superior strategic value to shareholders, 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](http://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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