



TSX:KRI

**KHAN ANNOUNCES TAKE OVER BID FROM CNNC AT
C\$0.96 PER COMMON SHARE**

TORONTO, ONTARIO, February 1, 2010 – Khan Resources Inc. (TSX:KRI) ("Khan") announced today that it has entered into a definitive agreement with CNNC Overseas Uranium Holding Ltd. ("CNNC"), a Chinese nuclear energy corporation based in Beijing and an indirect wholly owned subsidiary of China National Nuclear Corporation, pursuant to which CNNC has agreed to acquire all of Khan's outstanding common shares for C\$0.96 per share in cash (the "CNNC Offer"). The CNNC Offer represents a premium of approximately 118% to the closing share price prior to the Atomredmetzoloto JSC ("ARMZ") unsolicited bid, and a 48% premium to the unsolicited C\$0.65 per share bid which expires today at 5:00 p.m. (Toronto Time).

Based on the recommendation of the Special Committee and advice from its advisors, Khan's Board of Directors unanimously recommends that shareholders accept the CNNC Offer. Haywood Securities Inc. ("Haywood"), the financial advisor to Khan, has provided an oral opinion that the consideration to be offered under the CNNC Offer is fair, from a financial point of view, to Khan's shareholders. The Board has extensively considered the various alternatives and has determined that the CNNC Offer is in the best interests of Khan and is the most attractive option for its shareholders. The CNNC Offer contains far fewer conditions than the ARMZ bid and is clearly more advantageous to Khan in this regard.

The CNNC Offer will be in the form of a take-over bid. The definitive agreement provides for customary Board support and non-solicitation covenants subject to customary "fiduciary out" provisions entitling Khan to consider and accept an unsolicited superior offer. CNNC has the right to match any superior offer made by another bidder. A termination fee of C\$1.6 million will be payable to CNNC if the acquisition is not completed in certain circumstances. An equally valued reverse-termination fee is payable to Khan if the transaction is not completed in certain circumstances.

Concurrently with the execution of the definitive agreement, the directors and executive officers of Khan, holding a total of 1,493,500 common shares and 1,967,000 options exercisable into Khan common shares, representing approximately 6% of the Khan Shares on a fully diluted basis, have entered into lock-up agreements with CNNC, pursuant to which they have agreed to deposit such Khan common shares under the CNNC Offer.

The full and important details of the CNNC Offer will be included in the formal offer and take-over bid circular, which is expected to be mailed to shareholders by February 26, 2010. The offer will be open for acceptance for a period of not less than 35 days and will be conditional upon, among other things, acceptance by holders of at least 66 2/3% of the outstanding common shares on a fully diluted basis and receipt of all Canadian and Chinese regulatory, government and corporate approvals.

Provided that the minimum condition is met and CNNC takes up and pays for the Khan common shares tendered, CNNC is expected to seek to acquire the remaining outstanding Khan common shares pursuant to a subsequent acquisition transaction or compulsory acquisition, as applicable.

"The CNNC Offer is far superior to the unsolicited ARMZ bid," said Martin Quick, President and Chief Executive Officer of Khan. "We look forward to working with CNNC to build upon the progress we have made in Mongolia towards establishing a stable platform for developing the Dornod uranium project and bringing it into operation. CNNC brings a lot to the table, with its deep expertise in nuclear energy, financial strength and strong political ties with Mongolia."

Mr. Grant Edey, Chairman of the Special Committee, added: "The Special Committee has actively considered a variety of strategic alternatives. We thank our shareholders for their support of Khan and are pleased to enter into the support agreement with CNNC. We believe that the CNNC Offer provides Khan's shareholders with strong, direct value for their investment."

Haywood Securities Inc. is acting as financial advisor and Davies Ward Phillips & Vineberg LLP is acting as legal counsel to Khan. BMO Capital Markets is acting as financial advisor and Stikeman Elliott LLP is acting as legal advisor to CNNC.

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.

ABOUT CNNC OVERSEAS URANIUM HOLDING LTD.

CNNC Overseas Uranium Holding Ltd. (a wholly owned branch of China Uranium Corporation Ltd.) is incorporated in Hong Kong and is an indirect wholly owned private subsidiary of China National Nuclear Corporation, China's leading uranium development and nuclear fuel company.

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 the CNNC Offer and Khan's business, properties, licenses, operations and capital structure, regulatory uncertainty and obtaining governmental and regulatory approvals for the CNNC Offer, legislative, political, social, regulatory and economic developments or changes in jurisdictions in which Khan and CNNC 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, 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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