



TSX:KRI

Khan Acknowledges ARMZ Intention to Abandon its Unsolicited Offer

TORONTO, ONTARIO, March 1, 2010 – Khan Resources Inc. (TSX:KRI) ("Khan") announced today that it acknowledges that Atomredmetzoloto JSC ("ARMZ"), a Russian state-owned nuclear energy corporation, intends to allow its unsolicited offer to purchase all of the outstanding common shares of Khan (the "Shares") for \$0.65 per Share to expire. The decision by ARMZ to abandon its bid comes in the face of the commencement on February 26 by CNNC Overseas Uranium Holding Ltd. ("CNNC") of its superior offer to acquire all of the outstanding Shares for \$0.96 in cash per Share (the "CNNC Offer").

ARMZ cites the reason for abandonment of its unsolicited offer to be the recent announcement by the working group established by the Security and Foreign Policy Standing Committee of the State Great Khural, the Mongolian Parliament, that it recommends that a number of uranium exploration and mining licenses in the Dornod province should be invalidated based on alleged and unspecified violations of Mongolian law. It is unclear if the licenses held by Khan's Mongolian subsidiaries are implicated in these allegations as Khan has received no notifications from the Government of Mongolia on this matter. Khan believes that it and its Mongolian subsidiaries have always operated and continue to operate in strict compliance with all applicable Mongolian laws, including the Mineral Law and the Law on Mineral Energy, as well as the more recent Nuclear Energy Law. Khan has also become aware that ARMZ has erroneously alleged in the Russian media that Khan's licenses have been annulled and further, that it plans to proceed with a joint venture with Mongolia, called the Dornod Uranium joint venture, which agreement was signed in August 2009 and excludes any mention of Khan's legitimate property rights to the Dornod property.

"Although unsolicited, we were hopeful that ARMZ's offer for Khan demonstrated their recognition of the validity of transparent Western rules designed to protect shareholders and their investment in public companies", said Martin Quick, CEO of Khan. "Instead, it is clear that ARMZ plans to continue to advance its interests in the Dornod property through opaque political maneuvering and unsubstantiated allegations without recognizing Khan's or its shareholders' rights."

Khan also notes that a statement has been posted on the website of the Mongolian Nuclear Energy Agency (the "NEA") to the effect that the CNNC Offer requires the approval of the NEA in accordance with Article 7.1 and 7.2 of the Nuclear Energy Law, and suggests that the licenses held by Khan's subsidiaries in Mongolia may be revoked if such approval is not sought and obtained. Although these statements are not official government actions and have no legal effect, Khan's indirect wholly owned subsidiary Khan Resources LLC and its indirect 58% subsidiary Central Asian Uranium Company, LLC are writing to the NEA to register their objection to the statements. Khan has obtained legal opinions that Articles 7.1 and 7.2 apply only to transfers of shares of the direct holders of Mongolian mining and exploration licenses in Mongolia. They do not apply to an acquisition of shares of Khan Resources Inc., a Canadian company.

Forward-Looking Statements

This press release may contain forward-looking statements, which are subject to certain risks, uncertainties and assumptions. A number of factors could cause actual results to differ materially from the results discussed in such statements, and there is no assurance that actual results will be consistent with them. Such forward-looking statements are made as at the date of this news release, and Khan Resources 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.

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. Khan holds interests in the Main Dornod Property and in the Additional Dornod Property. Khan's website is www.khanresources.com.

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