



TSX: KRI

Khan Resources Acknowledges CNNC's Decision to allow its Offer to Expire

TORONTO, ONTARIO, Canada, May 21, 2010 – Khan Resources Inc. (TSX: KRI) ("**Khan**") announced that it was informed today by CNNC Overseas Uranium Holding Ltd. ("**CNNC**"), a wholly-owned private subsidiary of China National Nuclear Corporation, China's state-owned leading uranium development and nuclear fuel company, that it has failed to obtain regulatory approval for its offer to acquire all of the common shares of Khan at C\$0.96 in cash per share (the "**Offer**") and, accordingly, will allow its Offer to expire at the scheduled expiry time of 5:00 p.m. (Toronto time) on May 25, 2010.

According to information provided by CNNC, on May 21, 2010, CNNC was notified by the National Energy Administration, an arm of the Chinese National Development Reform Commission ("**NDRC**"), that the Offer was not approved. No reasons were given in the notice, and nor have any reasons been provided by CNNC or otherwise been made known to Khan as to why the NEA has refused to approve the transaction. The Offer was conditional upon CNNC receiving all necessary Chinese government and regulatory approvals, including NDRC approval.

Khan's Board of Directors will be meeting, together with its legal and financial advisors and management, to carefully consider its options, including pursuing all rights and remedies and other alternatives that may be available in the circumstances and in the best interests of Khan and its shareholders and will advise shareholders of its strategy going forward in due course.

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 and in the Additional Dornod Property. The Company's website is 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 International, Mongolian and Canadian laws, trade agreements and regulatory requirements on the Offer and 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 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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