



TSX:KRI

Khan Wins Mongolian Court Case

TORONTO, ONTARIO, July 19, 2010 – Khan Resources Inc. (TSX:KRI) (“Khan” or the “Company”) is pleased to announce today that the Mongolian Capital City Administrative Court has ruled in favour of its 58%-owned joint venture subsidiary, Central Asian Uranium Company, LLC (“CAUC”), and declared that the previous purported decision by the Mongolian Nuclear Energy Agency (the “NEA”) to invalidate CAUC’s mining license 237A is itself invalid and illegal.

As previously announced in April 2010, both CAUC and Khan’s 100%-owned Mongolian subsidiary Khan Resources LLC (“Khan Mongolia”), the respective holders of mining license 237A and exploration license 9282X (the “Licenses”), both in respect of the Dornod Uranium Property, received notices from the NEA purporting to invalidate the Licenses effective as of October 8, 2009, allegedly based on unspecified violations of Mongolian law. Subsequently, each of CAUC and Khan Mongolia filed and has since been pursuing separate formal claims in the Court challenging the legal bases for the NEA’s notices asserting, among other things, that the NEA had no legal authority to make a decision to invalidate the Licenses and that the NEA’s purported decision to do so violated the provisions of Mongolian law and was, therefore, invalid.

Mr. Grant Edey, President and CEO of Khan commented, “We are extremely pleased that the Court accepted all of CAUC’s claims and unequivocally affirmed that the NEA’s actions were unlawful and illegal.”

As a result of the Court’s decision, CAUC’s mining license is no longer considered invalidated and is therefore pending re-registration by the NEA under the Nuclear Energy Law, in accordance with CAUC’s November 2009 application to have the license re-registered. Khan expects to receive the Court’s written decision within the next week or so and, in the meantime, the NEA has the right to appeal the Court’s decision within the next 2 weeks. Currently, Khan Mongolia’s corresponding claim remains pending before the Court. Now that the Court has ruled in favour of CAUC, Khan is hopeful that a similar decision will be rendered in favour of Khan Mongolia. The Khan Mongolia hearing is currently scheduled for July 22, 2010.

Khan continues to believe that it and its Mongolian subsidiaries have always operated in compliance with applicable Mongolian laws. Khan intends to continue to vigorously challenge the NEA’s action, including any appeals the NEA may bring, through all legally available means.

Khan will provide further updates as more information becomes available.

***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. Khan’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 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, arbitration 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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