



TSX:KRI

Khan Wins Second Mongolian Court Case

TORONTO, ONTARIO, August 3, 2010 – Khan Resources Inc. (TSX:KRI) (“Khan” or the “Company”) is pleased to announce that the Mongolian Capital City Administrative Court ruled on August 2, 2010 in favour of its 100%-owned subsidiary, Khan Resources LLC (“Khan Mongolia”), and declared that the decision by the Mongolian Nuclear Energy Agency (the “NEA”) to invalidate Khan Mongolia’s exploration license 9282X is itself invalid and illegal. This decision by the Mongolian Court is consistent with their decision of July 19, 2010 whereby the Court also ruled that the decision by the NEA to invalidate the mining license of Khan’s 58% owned joint venture subsidiary, Central Asian Uranium Company, LLC (“CAUC”) was invalid and illegal (See Khan Press Release of July 19, 2010).

As previously announced in April 2010, both CAUC and Khan Mongolia received notices from the NEA purporting to invalidate their licenses relating to the Dornod Uranium Project effective as of October 8, 2009, based on unspecified violations of Mongolian law. Subsequently, each of CAUC and Khan Mongolia filed and pursued separate formal claims in the Court challenging the legal basis for the NEA’s notices. The NEA has the right to appeal the Court’s decisions on CAUC by Aug 9, 2010 and on Khan Mongolia by Aug 23, 2010. Khan continues to believe that it and its Mongolian subsidiaries have always operated in compliance with applicable Mongolian laws. As such, any appeal of the Court decisions by the NEA will be vigorously challenged by Khan through all legally available means.

Mr. Grant Edey, President and CEO of Khan commented, “We are pleased that the Court has ruled in our favour in both cases. Assuming the NEA does not appeal the decisions, we will now continue the process of re-registering our licenses under the Nuclear Energy Law of Mongolia. The Company has always tried to work co-operatively with the Government of Mongolia and its agencies to advance the Dornod Uranium Project. We hope these recent court decisions will allow us to do so.”

***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 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.

Investor Relations Contacts:

Grant Edey
Khan Resources Inc.
President & CEO
Office: 416.360.3405
gedey@rogers.com

Jonathan Buick
The Buick Group
Office: 416.915.0915, Ext. 302
Toll Free: 1.877.748.0914
jbuick@buickgroup.com