



**TSX:KRI**

## **Khan Mongolia Court Decision Not Disputed by Nuclear Energy Agency**

**TORONTO, ONTARIO, September 21, 2010** – Khan Resources Inc. (TSX:KRI) (“Khan” or the “Company”) announced today that the dispute period for the August 2, 2010 decision by the Mongolian Capital City Administrative Court in favour of Khan’s subsidiary, Khan Resources LLC (“Khan Mongolia”) has now expired. The August 2, 2010 court ruling declared that the Mongolia Nuclear Energy Agency’s (NEA) decision to invalidate Khan Mongolia’s exploration license covering part of the Dornod uranium property was illegal and invalid.

The Company noted that the NEA, by contrast, had elected on August 9, 2010 to appeal the court’s decision on July 19, 2010 in favour of Khan’s 58% owned joint venture subsidiary Central Asian Uranium Company LLC (“CAUC”). The July 19, 2010 court ruling also declared that the NEA’s decision to invalidate CAUC’s mining license covering the remaining part of the Dornod uranium property was illegal and invalid. This appeal is expected to be heard in late September.

Grant Edey, President and CEO of Khan, said “the decision by the NEA not to appeal the Khan Mongolia court ruling was unexpected, but we are encouraged that they have chosen not to challenge the decision. We hope that the NEA will now also choose not to pursue the CAUC appeal and that we can resolve our dispute on the Dornod mining and exploration licenses cooperatively”.

Khan intends to continue to defend its rights and interests in Mongolia. In addition to challenging NEA’s appeal of the CAUC court ruling, Khan has filed with the Ontario Superior Court of Justice a \$300 million lawsuit against Atomredmetzoloto JSC (“ARMZ”) and its affiliate JSC Priargunsky Industry Mining and Chemical Union for damages suffered by Khan due to ARMZ’s continuing efforts to secure Khan’s rights to the Dornod uranium project.

**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](http://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](http://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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