



TSX:KRI

Khan Receives Favourable Ruling From Mongolian Appeal Court

TORONTO, ONTARIO, October 27, 2010 – Khan Resources Inc. (TSX:KRI) (“Khan” or the “Company”) is pleased to announce that the Company has now received a favourable written decision of the Mongolian appellate court in respect of the appeal requested by the Mongolian Nuclear Energy Agency (“NEA”) of the July 19, 2010 decision of the Capital City Administrative Court.

The July ruling of the administrative court declared that the notice issued by the NEA purporting to invalidate the mining license held by Khan’s 58% owned joint venture subsidiary, Central Asian Uranium Company, LLC (“CAUC”), was itself illegal and invalid. The appellate court ruling, while containing some variations, substantially upheld the earlier administrative court ruling. The NEA has a right to appeal the appellate court ruling within 30 days.

Khan notes that in August 2010, the Capital City Administrative Court rendered a decision, similar to their July ruling, in favour of Khan’s 100% owned subsidiary, Khan Mongolia. This August decision was uncontested by the NEA.

Mr. Grant Edey, President and CEO of Khan, commented “We are pleased with the ruling by the appellate court. We now trust the NEA will move forward with re-registering our licenses under the Mongolian Nuclear Energy Act, or will provide just cause as to why not, all as prescribed by the laws of Mongolia.”

In November, 2009, the Company submitted detailed applications for re-registration of the mining and exploration licenses as required by the Nuclear Energy Act. To date, the licenses have not been re-registered, even though Khan believes that it meets all of the re-registration criteria.

Khan continues to believe that it and its Mongolian subsidiaries have always operated in compliance with applicable Mongolian laws. If re-registration of its licenses continues to be obstructed, the Company intends to pursue all legally available means of redress.

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.

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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