



TSX: KRI

Russia Refuses to Serve ARMZ in Litigation Claim

TORONTO, ONTARIO, Canada, February 7, 2011 – On August 20, 2010, Khan Resources Inc. (TSX:KRI) ("**Khan**") announced that it had filed a statement of claim against Atomredmetzoloto JSC ("ARMZ") and its affiliate JSC Priargunsky Industry Mining and Chemical Union, with the Ontario Superior Court of Justice. The claim was brought by Khan and certain of its subsidiaries and sought damages from ARMZ and its affiliate in the total amount of CDN\$300 million. (See Khan press release August 20, 2010).

ARMZ is a Russian state-owned enterprise. Accordingly, Canadian and international procedure calls for service of the claim against ARMZ to be effected through the Russian Ministry of Justice. To further this end, the statement of claim was translated into Russian and presented to the Ministry of Justice on October 28, 2010 for service to ARMZ.

The Russian Ministry of Justice has notified Khan that it refuses to effect service on ARMZ, citing Article 13 of the Hague Convention. Article 13 provides that "the State addressed may refuse to comply therewith only if it deems that compliance would infringe its sovereignty or security".

Mr. Grant Edey, President and CEO of Khan, commented "We are disappointed that such extraordinary measures have been resorted to in order to shield ARMZ from commercial litigation. We are not deterred by this temporary road block and we are considering alternate methods of rendering service to ARMZ".

Khan intends to continue to vigorously defend its rights and interests, including pursuing all available rights and remedies in Canada, Mongolia and elsewhere.

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 uranium property in north-eastern Mongolia.

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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