



**KHAN RESOURCES INC.**

225 Davenport Road, Suite 514, Toronto, Ontario M5R 3R2

Tel/Fax: 416-920-2748

Email: [kmurton@khanresources.com](mailto:kmurton@khanresources.com)

April 21, 2005: **Report to Securityholders of Khan Resources Inc.**

**COURT PROCEEDINGS**

On April 6, 2005, we advised you that Khan Resources had filed an application with the Ontario Superior Court of Justice for (i) a declaration that the purported transfers of the Corporation's assets which Mr. Wallace Mays attempted to effect are void and without any legal effect and (ii) an injunction restraining Mr. Mays and his companies from dealing or interfering with the Corporation's assets. We also advised that the initial hearing with regard to this Application was scheduled for April 19, 2005.

We now report to you that a motion was made on behalf of Mr. Mays and W M Mining Company, LLC for an order staying the Application on the grounds that the Ontario Courts do not have jurisdiction. The judge who heard the motion, **without passing on the merits of our case**, opined that the Ontario Courts do not have jurisdiction to hear the Application. Accordingly, we at Khan Resources will file a notice of appeal with regard to the matter of jurisdiction with the Ontario Court of Appeal.

Meanwhile, the undersigned will be departing for Mongolia on Friday, April 22<sup>nd</sup> to commence development of the Dornod uranium project, in which Khan Resources holds a 58% interest, following successful conclusion of our recent private placement. For details of this financing please refer to our Report to Securityholders of April 6, 2005 which may be found on our website in the Press Releases section.

On behalf of the Board

"Dale M. Hendrick"

Dale M. Hendrick: Chairman

"Kenneth G. Murton"

Kenneth G. Murton: President/CEO