

KHAN ANNOUNCES COMPLETION OF INITIAL PUBLIC OFFERING

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TORONTO, ONTARIO, AUGUST 2, 2006 – Khan Resources Inc. (TSX: KRI) is pleased to announce today that it has successfully completed an initial public offering (“IPO”) of 3,067,000 units (“Units”) each Unit consisting of one common share and one-half of one Class E share purchase warrants (“Class E Warrants”) which were issued pursuant to a prospectus dated July 14, 2006. The Units were issued at a price of \$1.50 each, for total proceeds of \$4,600,500. The Class E Warrants are exercisable at a price of \$1.90 per Unit at any time on or before August 2, 2008.

Khan also announced that, concurrent with completion of the IPO, it has completed a private placement (“Concurrent Private Placement”) of 1,667,000 additional Units at a price of \$1.50 per Unit for total proceeds of \$2,500,500 which were issued to Mega Uranium Ltd. The Common Shares and Class E Warrants issued under the Concurrent Private Placement are subject to a 4-month hold period.

Haywood Securities Inc. acted as lead agent in a syndicate which included Paradigm Capital Inc. in connection with the IPO.

PowerOne Capital Markets Limited acted as agent in connection with the Concurrent Private Placement.

The Common Shares will begin trading today on the Toronto Stock Exchange under the symbol “KRI” and Class E Warrants will also commence trading under the symbol “KRI.WT”.

The proceeds from the IPO and Concurrent Private Placement will be added to Khan’s working capital and will be applied to fund its operating budget.

About Khan Resources Inc.

The Company is engaged in the acquisition, exploration, and development of uranium properties in Mongolia. Currently, the Company is focused on its primary assets – the formerly-mined uranium properties in the Dornod district of Northeast Mongolia. The Company holds a 58% interest in the main partially developed Dornod property which is licensed for mining, and a 100% interest in the additional Dornod property, licensed for exploration. The Company is in a unique position to move forward and develop and mine the Dornod uranium deposit in a relatively short period of time. Concurrently there is the opportunity to expand the 40.1 million lb U₃O₈ indicated resource by further drilling both on surface and underground.

For more information on the Company, please visit our website at: www.khanresources.com

This press release may contain forward-looking statements and involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from the results, performance or achievements expressed or implied by the forward-looking statement. Factors that impact such forward-looking statements include, a month others, changes in general economic conditions, interest rates, government regulations and competition. The Company disclaims any intention or obligation to update or revise and forward-looking statements unless required by applicable law.

The TORONTO STOCK EXCHANGE has neither approved nor disapproved the contents of this press release.

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