



## **Khan Resources Reports On Dismissal of Mays Leave to Appeal**

Monday, August 28, 2006

TORONTO, ONTARIO--(Aug 28, 2006) – Khan Resources Inc. (TSX:KRI) is pleased to announce that on Friday August 25, 2006, the Ontario Superior Court of Justice (Divisional Court) dismissed a motion (with costs) brought by Wallace Mays and WM Mining Company, LLC, which sought leave to appeal an earlier decision of the Ontario Superior Court of Justice. This earlier decision had dismissed a motion by Mays (also with costs) to stay an oppression application commenced by a shareholder of Khan Resources against Mays, WM Mining, Khan Resources and its affiliates.

In the oppression application, the shareholder has asked the court to, among other things, order that the purported transfers by Mays of the assets of certain affiliates of Khan in October 2004 be set aside. As a result of the dismissal by the Divisional Court of Mays' motion for leave to appeal, the oppression application will proceed to a hearing on the merits. A date has not yet been set for a hearing on the merits, but it is expected to occur in October 2006.

Khan Resources believes that the court is likely to grant a remedy that will rectify the conduct of Mays complained of in the shareholder's oppression application.

Khan Resources is a Canadian exploration and development company. Its current activities are focused on the Dornod area in North Eastern Mongolia, the site of a former Russian open-pit uranium mine. Khan Resources shares are traded on the TSX under the symbol KRI.

This news release may contain forward-looking statements, which are subject to certain risks, uncertainties and assumptions. A number of factors could cause actual results to differ materially from the results discussed in such statements, and there is no assurance that actual results will be consistent with them. Such forward-looking statements are made as at the date of this news release, and the company 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.

**FOR FURTHER INFORMATION PLEASE CONTACT:**

Khan Resources Inc.	The Buick Group Inc
Martin Quick	Jonathan Buick
President & CEO	Principal & IR Specialist
(416)360-3405	(416)915-0915, or
(416)360-3417	(877)569-7092
mquick@khanresources.com	jbuick@buickgroup.com

