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**ONTARIO SUPERIOR COURT GRANTS OPPRESSION REMEDY AND SETS ASIDE THE PURPORTED TRANSFERS BY WALLACE MAYS OF KHAN RESOURCES' MINING ASSETS**

**TORONTO, ONTARIO, OCTOBER 12, 2006** -The Superior Court of Justice of Ontario today issued an order declaring that the purported transfers by Wallace M. Mays ("Mays") to WM Mining Company, LLC ("WM Mining") of the interests of Khan's subsidiaries in certain mining properties in Mongolia effected a result that was unfairly prejudicial to and unfairly disregarded the interests of Anthony Weldon, a shareholder of Khan Resources Inc. ("Khan").

The Court further ordered that the purported transfers by Mays be set aside and restrained Mays and WM Mining from taking any steps to deal or attempt to deal with the assets that are the subject of the purported transfers. In particular, the Court specifically enjoined Mays and WM Mining from: (i) relying on the letters in which Mays purported to effect the transfers as constituting valid assignments of the mining assets or as having any legal force or effect, anywhere in the world; (ii) dealing or purporting to deal with or interfering with the mining assets; and (iii) making any statements to the media, financial institutions, the OSC, or any government or regulatory authority, anywhere in the world, suggesting that Mays or WM Mining is the owner of any legal or beneficial interest in the mining assets by virtue of the purported transfers. Mays and WM Mining were also ordered to pay Mr. Weldon costs in the amount of \$30,000. Khan's entitlement to its costs of the proceeding is still to be determined. The Orders granted by the Court described above do not affect the claims that Mays, WM Mining and Nueces Investments Ltd. have asserted against Khan and others, in the Ontario Superior Court (the "Mays Proceeding"), or the rights of the Plaintiffs or Khan and the other Defendants in the Mays Proceeding, to proceed with or respond to those claims. As described in its Press Release dated September 19, 2006, Khan believes those claims to be completely without merit and intends to vigorously pursue all rights and remedies available to it.

This press 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 the actual results will be consistent with them. Such forward-looking statements are made as of 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 laws.

**About KHAN:**

Khan 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.

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