



Khan Resources Releases Pre-Feasibility Study Results for Mongolian Uranium Project

Upgrades a significant portion of the indicated mineral resource to reserve category

TORONTO, ONTARIO, Tuesday, August 15, 2007 – Khan Resources Inc. (TSX:KRI) today announced that it has completed a Pre-Feasibility Study for its Dornod Uranium Project in north eastern Mongolia. The study, jointly completed by engineering consultants, Aker Kvaerner E&C, a division of Aker Kvaerner Canada Inc., and resource consultants, Scott Wilson Roscoe Postle Associates Inc., has resulted in a greater than 16% increase in the National Instrument 43-101 (NI 43-101) compliant indicated resource previously reported for the project, for a total of 64.3 million lbs of Uranium (U_3O_8) and an inferred mineral resource of 2.4 million lbs of U_3O_8 .

Further, a significant portion of the indicated mineral resource has been upgraded to the probable mineral reserve category. The new probable mineral reserve for the No. 2 and No. 7 deposits is 18.2 million tonnes at an average grade of 0.122% U_3O_8 for 49.1 million lbs of U_3O_8 out of the 64.3 million lbs of indicated resources. Khan has a 58% joint venture interest in the Number 2 deposit, 58% of a two-thirds interest in the Number 7 deposit, and a 100% interest in the remaining third. This gives Khan an overall interest of 69% in the deposits.

The study assumes a uranium price of US\$55 per lb U_3O_8 , and a through-put of 3,500 tonnes per day over a 15.5 year mine life, which will give an average annual production rate of 2.9 million lbs U_3O_8 , at a cost of US\$19.99 per lb U_3O_8 or US\$49.21 per tonne of ore. This yields an Internal Rate of Return (IRR) of 37.1%, and a Net Present Value (NPV) of US\$288 million using a 10% discount rate. The capital cost of the project is projected to be approximately US\$283 million.

The NPV using a uranium price of US\$90 per lb U_3O_8 and a discount rate of 10% is US\$756.5 million. The current uranium spot price is US\$105 per lb U_3O_8 .

President and CEO of Khan Resources, Martin Quick, said “We are delighted with the results of this study, which further demonstrates the high quality of this deposit. The upgrade of a significant portion of the deposit into the probable reserve category also represents a significant milestone for Khan. This will encourage the company to proceed with the full Feasibility Study at the earliest possible date.”

The NI 43-101 compliant indicated mineral resource estimated in the study is 25.3 million tonnes at an average grade of 0.116% U_3O_8 for 64.3 million lbs U_3O_8 . This represents an increase of 16% in lbs U_3O_8 over the previously announced indicated mineral resource used in the Preliminary Assessment of November 2006. The inferred mineral resource estimated in the study is 2.2 million tonnes at an average grade of 0.050 U_3O_8 for 2.4 million lbs U_3O_8 .

The Dornod project implementation schedule is conservatively estimated to be approximately 45 months from the start of the Feasibility Study to the start of plant production. While this timeline is predicated on the purchase of new equipment, Khan expects to reduce the timeframe significantly by the purchase of used equipment. In addition, the results of the Pre-Feasibility Study will be further optimized with respect to cost and schedule prior to the commencement of the Feasibility



Study. The Feasibility Study is expected to commence in the Fall of 2007, ahead of the negotiations for an Investment Agreement with the Government of Mongolia.

James Doak, Chairman of Khan Resources noted, “With the current long term price of uranium at \$95 per pound, and likely to increase significantly over the next several years, this puts Khan in the enviable position of having one of the best new uranium projects in the world. The results of the Pre-Feasibility Study demonstrate that the share price of Khan is trading at a discount to the intrinsic value of its assets.”

Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

Qualified Persons under NI 43-101:

John Kita P.Eng., Chief Geologist, Khan Resources Inc., Hrayr Agnerian P.Geo., Associate Consulting Geologist at Scott Wilson Roscoe Postle Associates Inc., and Les Heymann P.Eng., Senior Process Consultant, Aker Kvaerner E&C, are the qualified persons (as defined under NI 43-101) on the project and supervised the preparation of the technical information in this release.

Disclaimer:

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 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.

About Khan Resources Inc.:

Khan Resources (TSX: KRI) is a Canadian acquisition, exploration and uranium 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 holds interests in the Main Dornod Property, licensed for mining, and in the Additional Dornod Property, licensed for exploration. The Company’s website is www.khanresources.com.

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