



TSX : KRI

Khan Resources Announces Construction of Power Line and Sedimentation Pond at Dornod Uranium Project

TORONTO, ONTARIO, September 18, 2008. Khan Resources Inc. (TSX:KRI) is pleased to announce that it has entered into contracts for the construction of a power line and sedimentation pond for the Dornod Uranium Project.

The electric power line will be constructed from the Xin Xin Mine to the Dornod Uranium Property, a distance of about 26 kilometres and an electrical substation will be constructed at the site. The Xin Xin Mine is connected to an electric power line from the Choilbalsan generating plant, approximately 120 kilometres to the south. The contractor for the power line and substation is Yuanda Group Ltd., a Mongolian Chinese joint venture company, which has completed many projects of this kind in Mongolia. In conjunction with the contract for the power line, an agreement for the supply of up to 15 MW of electricity has been entered into with the Choilbalsan generating plant. The availability of electrical power from this plant will eliminate the use of diesel powered generators at the site and provide sufficient electricity for the planned dewatering and rehabilitation of the underground mine workings in the spring of 2009.

The lined sedimentation pond will be constructed at the site of the Dornod Uranium Project. Water from the underground mine workings will be pumped to the pond to allow for the settlement and retention of sediments and particulate matter before the water is released into the environment. The contractor is Prestige Group Co., Ltd., a Mongolian company, which has substantial experience in the construction of lined ponds for mining operations.

“The construction of the power line and sedimentation pond are essential for the dewatering and rehabilitation of the underground mine workings. The completion of dewatering and rehabilitation are key steps in the development of a producing mine at the Dornod Uranium Project.” stated Martin Quick, President and CEO of Khan.

Forward-Looking Statements

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 Khan Resources 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.

Khan Resources (TSX:KRI) is a Canadian company engaged in the acquisition, exploration and development of uranium properties. 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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