



**TSX : KRI**

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## **Khan Resources Reports a 38% Increase in Indicated Uranium Resources at Dornod to 55.4 million lbs U<sub>3</sub>O<sub>8</sub>**

**TORONTO, ONTARIO, NOVEMBER 1, 2006** – Khan Resources Inc. (TSX:KRI) is pleased to announce that its resource consultant Scott Wilson Roscoe Postle Associates Inc. (“SWRPA”) has completed a revision to the earlier NI 43-101 compliant resource estimates at the Dornod uranium project in North Eastern Mongolia, dated September 12, 2005, and April 27, 2006.

Using a new cut-off grade of 0.047% U<sub>3</sub>O<sub>8</sub> (compared with the earlier cut-off grade of 0.118% U<sub>3</sub>O<sub>8</sub>) the total indicated resource has increased from 40.1 to 55.4 million lbs U<sub>3</sub>O<sub>8</sub> (an increase of 38%). The financial and technical criteria upon which this new cut-off grade was established is based on data as of October 25, 2006 contained in a Scoping Study currently being finalized by KRI’s engineering consultants Aker Kvaerner E&C (“AKEC”). The Scoping Study will be incorporated in a NI 43-101 Preliminary Assessment to be issued shortly.

The details of the new resource figures are as follows:

Deposit	Cut-Off Grade	Category	Tonnes (M)	% U <sub>3</sub> O <sub>8</sub>	lbs U <sub>3</sub> O <sub>8</sub> (M)
No. 7	0.047 % U <sub>3</sub> O <sub>8</sub>	Indicated	12.96	0.159	45.5
No. 2	0.047 % U <sub>3</sub> O <sub>8</sub>	Indicated	3.52	0.127	9.9
<b>TOTAL</b>		<b>Indicated</b>	<b>16.48</b>	<b>0.152</b>	<b>55.4</b>

The mineral resources have been estimated in accordance with CIM Guidelines on Mineral Reserves and Mineral Resources

KRI indirectly owns 58% of the Number 2 deposit, 58% of two-thirds of the Number 7 deposit, and directly owns 100% of the remaining third. This gives KRI an overall ownership of 69.5% of the total indicated resource, which now increases KRI’s portion of the indicated resource from 27.9 to 38.5 million lbs U<sub>3</sub>O<sub>8</sub>.

“This increase in indicated resources reinforces the importance and future potential of the Dornod deposit, and we expect to further increase the resource with infill and exploration drilling and sampling programs”, stated Martin Quick, President and CEO of KRI.

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.

**Qualified Persons:**

Hrayr Agnerian, the Consulting Geologist at SWRPA, and Les Heymann, the Senior Process Consultant at AKEC, qualified persons as defined by NI 43-101, supervised the preparation of the information in this release.

**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. Khan Resources' shares are traded on the TSX under the symbol KRI.

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