



TSX : KRI

## Khan Resources Announces the Results of the first Phase of the Drilling Program at the Dornod Uranium Project in Mongolia

**TORONTO, ONTARIO, January 18, 2007** – Khan Resources Inc. (TSX:KRI) is pleased to announce that it has completed the first phase of an 18 month diamond drilling program at the Dornod Uranium Project in north eastern Mongolia.

This phase of the drilling program, which was completed during November 2006, consisted of 6 diamond drill holes totalling 1,536 metres, which is part of the overall program designed to:

- Investigate the extensions of mineralized areas that were not followed-up by the previous Russian operators
- Verify lower grade pods in outlying areas, and
- Check the possible extension of known areas adjacent to the defined indicated resource.

The winter drilling program results are detailed below in three separate areas within licence areas 237A and 9282X:

1. DOR-06-027 and DOR-06-028 were drilled in the 2N area where C1 Russian resources (not NI 43-101 compliant, and has not yet been reviewed by a Qualified Person) have been reported as 85,000 tonnes grading 0.104% U. Both holes returned values and widths comparable to the surrounding mineral intercepts.

The following table compares the mineralization of DOR-06-027 and DOR-06-028 with the three nearest mineral intervals from previous drilling (pre 1995).

Comparison of Diamond Drilling Results					
Khan Results			Previous Results		
DDH. No.	Interval metres	% U <sub>3</sub> O <sub>8</sub>	Range of Distances from Khan Intercept	Range of Interval metres	Range of Values % U <sub>3</sub> O <sub>8</sub>
DOR-06-027	2.00	0.109	40 To 100 metres	2.00	0.039 To 0.126
DOR-06-028	2.00	0.041	60 To 100 metres	2.00	0.029 To 0.039

2. DOR-06-029 and DOR-06-030 are located within the 2F Zone. This zone is an extension of the No. 2 Deposit, (previously partially mined by open pit). The C1 Russian resource (not NI 43-101 compliant, and has not yet been reviewed by a Qualified Person) for the 2F area has been reported as 310,000 tonnes grading 0.142% U. Both drill holes confirmed uranium mineralization within a flat lying siltstone.

The following table compares the mineralization of DOR-06-029 and DOR-06-030 with the two nearest mineralized intersections from previous drilling (pre 1995).

Comparison of Diamond Drilling Results					
Khan Results			Previous Results		
DDH. No.	Interval metres	% U <sub>3</sub> O <sub>8</sub>	Range of Distances from Khan Intercept	Range of Interval metres	Range of Values % U <sub>3</sub> O <sub>8</sub>
DOR-06-029	3.55	0.071	10 To 30 metres	2.0 To 5.5	0.081 To 0.202
DOR-06-030	12.00	0.121	30 To 40 metres	7.9 To 11.4	0.055 To 0.068

The 2N and 2F areas have not been included in the most recent resource calculations. Scott Wilson Roscoe Postle Associates Inc. (SWRPA) will be updating the reserve/resource calculations taking into account

these latest results as part of the Pre Feasibility Study, which has recently been initiated (see press release dated January 4, 2007 for details of this Study). This will add to the current resource of 16.5 million tonnes with an average grade of 0.151% U<sub>3</sub>O<sub>8</sub> (NI 43-101 compliant).

- Hole DOR-06-031 tested the extension of the No. 7 deposit to the east (Indicated Resource of 12.96 million tonnes grading 0.159% U<sub>3</sub>O<sub>8</sub> using a cutoff grade of 0.047 % U<sub>3</sub>O<sub>8</sub> (NI 43-101 compliant)). DOR-06-032 provided grade and width comparisons of the weaker mineralized zone with the earlier drilling (pre-1995).

DOR-06-031 and DOR-06-032 both returned mineralization values and widths similar to the surrounding drill hole information. DOR-06-032 assayed 0.097% U<sub>3</sub>O<sub>8</sub> over 30.0 metres, whereas the resource model indicates 0.091% U<sub>3</sub>O<sub>8</sub> over 24.0 metres. This represents an overall increase of 34% in the contained pounds of Uranium in this area.

The following table compares the mineralization of DOR-06-031, and DOR-06-032 with the nearest mineralized intersections from previous drilling (pre 1995).

<b>Comparison of Diamond Drilling Results</b>					
<b>Khan Results</b>			<b>Previous Results</b>		
<b>DDH. No.</b>	<b>Interval metres</b>	<b>% U<sub>3</sub>O<sub>8</sub></b>	<b>Range of Distances from Khan Intercept</b>	<b>Range of Interval metres</b>	<b>Range of Values % U<sub>3</sub>O<sub>8</sub></b>
DOR-06-031	9.00	0.043	50 To 80 metres	11.4 To 12.9	0.040 To 0.058
DOR-06-032	30.00	0.097	25 To 40 metres	27.3 To 32.2	0.058 To 0.110

Martin Quick, President & CEO of Khan, commented that “we are delighted with the results of the winter drill program which extended the areas of known mineralization, and is the first phase of a larger drilling and mapping program that will resume in the spring”.

The total Indicated Resource of the deposit currently stands at 16.5 million tonnes at an average grade of 0.152% U<sub>3</sub>O<sub>8</sub> or 55.4 million lbs U<sub>3</sub>O<sub>8</sub> using a cut-off grade of 0.047% U<sub>3</sub>O<sub>8</sub>, of which Khan owns 38.5 million lbs U<sub>3</sub>O<sub>8</sub> or 69.5% of the total indicated resource. (For further details see earlier release dated November 1, 2006).

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:**

John Kita B.A.Sc., P.Eng., Chief Geologist, Khan Resources Inc., and Hrayr Agnerian M.Sc.(Applied), P.Geo., Consulting Geologist at Scott Wilson Roscoe Postle Associates Inc. (Scott Wilson RPA), are the qualified persons on the project and supervised the preparation of the technical 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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