



TSX : KRI

Khan Resources Issues Update on Mongolia and the Dornod Uranium Project

TORONTO, ONTARIO, October 3, 2008. Khan Resources Inc. (TSX:KRI) is pleased to provide an update on the political situation in Mongolia as it relates to the mining industry. On October 1, 2008, President Nambaryn Enkhbayar in his opening speech to the Mongolian Parliament said "It is the reality that Mongolians cannot invest in deposit independently, introduce advanced technology and provide qualified experts. Therefore, there is no other way than attracting major investors, their financial resources, technology and experts. Investors would want to calculate their investment returns and control expenditures of their investment. They would aspire to recover their investment and make profit. This is natural." President Enkhbayar continued, "Therefore, there is no other way than for all parties concerned to accept market principles of allowing the investors to own more than 51% of the deposit". An excerpt of the translated speech can be found at www.khanresources.com.

The Mongolian government has recently established a new Ministry of Mines and Energy. Mining was previously a division of the Ministry of Industry and Trade.

Khan Resources has demonstrated its confidence in Mongolia by launching a US\$5 million project to build a power line and a sedimentation pond for the Dornod Uranium Project as announced on September 18, 2008.

"These recent developments in Mongolia are encouraging and we look forward to progressing in our discussions with the Mongolian government. Khan Resources has a strong financial position and a world-class uranium deposit. Therefore, regardless of market conditions, we feel that the Company is significantly undervalued" stated Martin Quick, President and CEO of Khan Resources.

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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Investor Relations Contacts:

Martin Quick
Khan Resources Inc.
President & CEO
Office: 416.360.3405
mquick@khanresources.com

Jon Ruby
The Buick Group
Office: 416.915.0915, Ext. 301
Toll Free: 1.877.748.0914
jruby@buickgroup.com