

## FORM 7

### MONTHLY PROGRESS REPORT

Name of CNSX Issuer: Khan Resources Inc. (the "Issuer").

Trading Symbol: KRI

Number of Outstanding Listed Securities: 90,166,482

Date: March 6, 2017

#### Report on Business

- 1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.**

On November 10, 2016 the Company announced that the shareholders of the Company approved a special resolution for the voluntary liquidation and dissolution of Khan. The shareholders also approved, pursuant to the winding up, an initial distribution of \$0.85 per share by way of a return of capital that was paid on November 29, 2016 to shareholders of record at November 22, 2016.

After the liquidation was approved by the shareholders, the Company has started the process of liquidating one remaining subsidiary – Khan Resources B.V. (Netherlands). The Company engaged legal and tax advisors to perform liquidation of Khan B.V. in a timely and efficient manner.

In December, Khan Resources B.V. received a preliminary tax assessment from the Dutch tax authority for 11.4 million euros based on an assessed taxable income of 45.8 million euros for the fiscal year ended July 31, 2016.

In February Khan Resources BV, has received an amended preliminary tax assessment from the Dutch tax authority. The amended preliminary tax assessment amounts to 3.3 million euros based on a taxable income of 13.2 million euros.

The preliminary tax assessment and the reassessment were both issued before KRBV has filed its 2016 tax return and as such are based on incomplete information. Management of the Company along with its external advisors are of the opinion that the amended assessment remains in substantial error. Khan Resources BV had previously received opinions from the Dutch affiliates of two Tier 1 global accounting firms that Khan Resources BV should have nil taxable income for the subject taxation year.

Management believes that this issue will be resolved when the Netherlands tax authority has the opportunity to review all the facts.

*Additional Information*

Additional information relating to the Issuer is available on the CSE Disclosure Hall at [www.CSE.ca](http://www.CSE.ca) or on SEDAR at [www.sedar.com](http://www.sedar.com).

- 2. Provide a general overview and discussion of the activities of management.**  
See the item above

- 3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.**

N/A

- 4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.**

N/A

- 5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.**

No new contracts during the past month.

- 6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.**

No termination of contracts during the past month.

- 7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.**

No acquisition or disposition during the past month.

**Describe the acquisition of new customers or loss of customers.**

N/A

- 8. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.**

N/A

- 9. Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.**

One employee was terminated in February. The Company now has two remaining employees.

- 10. Report on any labour disputes and resolutions of those disputes if applicable.**

N/A

- 11. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.**

The Issuer did not become a party to any legal proceedings in the past month.

- 12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.**

N/A

- 13. Provide details of any securities issued and options or warrants granted.**

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
		<b>Total Proceeds</b>	

*(1) State aggregate proceeds and intended allocation of proceeds.*

- 14. Provide details of any loans to or by Related Persons.**

N/A

- 15. Provide details of any changes in directors, officers or committee members.**

No changes in February.

**16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.**

N/A

**Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CSE that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CSE Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.
5. Dated March 6, 2016.

Grant A. Edey  
Name of Director or Senior Officer

Signed "Grant A. Edey"  
Signature

President, CEO and a Director  
Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End December 31, 2016	Date of Report YY/MM/D 17/03/06
Issuer Address The Exchange Tower 130 King Street West, Suite 1800		
City/Province/Postal Code Toronto/Ontario/M5X 1E3	Issuer Fax No. (416) 947-0167	Issuer Telephone No. (416) 360-3405

Contact Name Grant A. Edey	Contact Position President and CEO	Contact Telephone No. (416) 360-3405
Contact Email Address <a href="mailto:gedey@rogers.com">gedey@rogers.com</a>	Web Site Address <a href="http://www.khanresources.com">www.khanresources.com</a>	