



**KHAN RESOURCES INC.
LETTER OF TRANSMITTAL FOR REGISTERED HOLDERS OF COMMON SHARES**

This Letter of Transmittal is important and requires your immediate attention. This Letter of Transmittal must be completed and submitted by all registered holders of Common Shares holding physical share certificates. Such shareholders must forward a properly completed and signed Letter of Transmittal and certificate(s) representing their common shares of Khan Resources Inc. and all other required documents to TSX Trust Company in order to receive the consideration to which they are entitled under the Arrangement.

Shareholders whose Common Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for instructions and assistance in delivering those Common Shares.

This Letter of Transmittal (the “**Letter**”) is for use by registered holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Khan Resources Inc. (the “**Company**”) in connection with the proposed plan of arrangement described in the Management Information Circular of the Company dated April 6, 2017 (as it may be amended or supplemented, the “**Circular**”) accompanying this Letter pursuant to which, and in accordance with the terms of an arrangement agreement dated as of March 22, 2017 (as it may be amended, the “**Arrangement Agreement**”), 2567850 Ontario Inc. (the “**Purchaser**”) will acquire all the outstanding Common Shares of the Company at a price of Cdn\$0.05 per Share in cash payable in Canadian dollars by way of a plan of arrangement under the *Business Corporations Act* (Ontario) (the “**Arrangement**”). Capitalized terms used but not defined in this Letter that are defined in the Circular have the respective meanings set out in the Circular.

The Arrangement Agreement is subject to, among other things, the approval of holders of the Common Shares of the Company at a special meeting (the “**Meeting**”) scheduled to be held on May 5, 2017 (as may be postponed or adjourned), and, if approved, the Arrangement is currently expected to be completed May 9, 2017. Shareholders should refer to the Circular for more information regarding the expected timing for completion of the Arrangement.

Upon completion of the Arrangement, among other things, the Common Shares will be transferred to the Purchaser and Shareholders will be entitled to receive cash consideration of Cdn.\$0.05 per Common Share. In order to receive such consideration, this Letter, properly completed and duly executed, together with any other documents as may be required, must accompany all Common Share certificates deposited pursuant to the Arrangement. Such materials should be delivered in person or by courier or sent by registered mail to TSX Trust Company (the “**Depositary**”) at the following address:

By Mail, by Hand or by Courier
200 University Avenue
Suite 300
Toronto, Ontario
M5H 4H1

Attention: Corporate Actions

Delivery of this Letter to any other address other than as set forth above will not constitute a valid delivery.

PLEASE CAREFULLY READ THE CIRCULAR AND THE INSTRUCTIONS SET OUT BELOW BEFORE COMPLETING THIS LETTER. In particular, reference is made to the headings in the Circular entitled “Certain Canadian Federal Income Tax Considerations”.

SHAREHOLDERS WHO DO NOT FORWARD A PROPERLY COMPLETED AND SIGNED LETTER AND CERTIFICATES REPRESENTING THEIR COMMON SHARES TO THE DEPOSITARY PRIOR TO THE SIXTH ANNIVERSARY OF THE EFFECTIVE DATE OF THE ARRANGEMENT WILL FORFEIT ALL ENTITLEMENT TO ANY CONSIDERATION UNDER THE ARRANGEMENT. ON SUCH DATE, ALL CONSIDERATION TO WHICH SUCH FORMER SHAREHOLDER WAS OTHERWISE ENTITLED WILL BE DEEMED TO HAVE BEEN SURRENDERED TO THE PURCHASER.

A Shareholder may withdraw his, her or its Letter by a written notice received by the Depositary at any time prior to the Effective Date.

Please note that the delivery of this Letter does not constitute a vote in favour of the Arrangement Resolution or any other matters to be considered at the Meeting. To exercise your right to vote at the Meeting, you must complete and return the form of proxy that accompanied the Circular by 2:00 p.m. on May 3, 2017, or if the Meeting is adjourned or postponed, no later than 2:00 p.m. (Eastern Standard time) on the second business day before the adjourned or postponed Meeting is reconvened or held as the case may be. See "General Proxy Matters" in the Circular.

*If you need assistance in completing this Letter, please contact TSX Trust Company at (416) 342-1091, toll-free at 1 (866) 393-4891 ext. 205 or by email at **TMXInvestorServices@tmx.com**, or contact your professional advisor.*

DIRECTION

TO: 2567850 ONTARIO INC.
AND TO: KHAN RESOURCES INC.
AND TO: TSX TRUST COMPANY, at its address set out below.

The undersigned hereby deposits with you in connection with the Arrangement, the following certificate(s) representing Common Shares, details of which are as follows:

CERTIFICATE NUMBER	NUMBER OF COMMON SHARES	NAME AND ADDRESS OF REGISTERED HOLDER(S)

Notes:

- (1) If space is insufficient, please attach a separate schedule to this Letter.
- (2) The total of the numbers filled in above must equal the total number of Common Shares represented by the Common Share certificates(s) enclosed with this Letter.

CURRENCY OF PAYMENT
(see item 5(h) of the Instructions)

I wish to receive payment of Consideration in U.S. dollars as described under "Procedure for Payment of Consideration – Currency of Payment" in the Circular.

A Shareholder who does not check the box above will, if this Direction is otherwise properly completed, receive payment of Consideration in Canadian dollars.

Please forward the cheque for the applicable consideration payable under the Arrangement for the Common Shares represented by the above certificate(s) as follows:

Name (please print)			
Address			
City	Province/State	Country	Postal/Zip Code
Telephone (Office) ()	(Home) ()	Social Insurance (Security) Number	Tax Identification Number*

* U.S. Residents/Citizens must provide their Tax Identification Number.

OR

Please hold the cheque for the applicable consideration payable under the Arrangement for the Common Shares represented by the above certificate(s) for pick-up at the offices of TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1.

Date

Signature of Shareholder or authorized representative

Name of authorized representative (please print)

Signature of any joint holder

Name of joint holder (please print)

Signature Guaranteed By: (if required under Instruction 3 set out below)

Authorized signature

Name of guarantor (please print)

TO BE COMPLETED ONLY BY SHAREHOLDERS THAT ARE U.S. HOLDERS OF COMMON SHARES

Note: Please review carefully Instruction 7 below regarding backup withholding before completing the following information.

Payor: [_____]		
SUBSTITUTE FORM W-9	Part I: PLEASE PROVIDE YOUR TAXPAYER IDENTIFICATION NO. OR SOCIAL SECURITY NO. IN THE SPACE AT THE RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.	Social Security No. or Taxpayer Identification No. ("TIN") _____ <input type="checkbox"/> Awaiting TIN
Part II Certification — Under penalties of perjury, I certify that (1) the number shown on this form is my correct Social Security Number or Taxpayer Identification Number (or I am waiting for a number to be issued to me), (2) I am not subject to backup withholding because I am exempt from backup withholding, or I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. person (including a U.S. resident alien).		
Certification Instructions — You must cross out Part II above if you have been notified by the IRS that you are currently subject to backup withholding because of under reporting or lack of reporting of interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out Part II. The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding. Signature: _____ Date: _____ _____		
YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE "AWAITING TIN" BOX ON THE SUBSTITUTE FORM W-9.		
CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER		
I certify under penalties of perjury that (i) a TIN has not been issued to me, (ii) either (a) I have mailed an application to receive a TIN to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future, and (iii) I understand that if I do not provide a TIN within 60 days, I will be subject to backup withholding at a rate of 28% of all reportable payments made to me. Signature: _____ Date: _____ _____		

NOTE: FAILURE TO COMPLETE AND RETURN THIS SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS MADE TO YOU.

Please visit the IRS website at <http://www.irs.gov/instructions/iw9/index.html> for instructions on completing this form.

REPRESENTATIONS AND WARRANTIES

By completing and signing this Letter, the registered Shareholder completing this Letter (the “**Signatory**”) represents, warrants, agrees, instructs and acknowledges as follows:

1. It is understood that upon receipt of this Letter, the certificates representing Common Shares transmitted herewith and any other required documentation, and following the Effective Date, the Depository or its agent will send to the Signatory or hold for pick-up, in accordance with instructions given above, a cheque for the applicable Consideration payable to the Signatory under the Arrangement for the Common Shares transmitted herewith (the “**Arrangement Consideration**”). The cheque will be made payable to the name (and at the address) of the registered holder of Common Shares specified in the above form.
2. The Signatory covenants, represents and warrants to the Company, the Purchaser and the Depository that: (i) the Signatory is the registered owner of the Common Shares being transmitted, (ii) such Common Shares will be transferred by the Signatory free and clear of all mortgages, liens, charges, encumbrances, security interests and adverse claims, (iii) the Signatory has full power and authority to execute and deliver this Letter and transfer the Common Shares, and all information inserted into this Letter by the Signatory is accurate, (iv) the Common Shares have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any Common Shares to any other person, (v) the surrender of the Common Shares complies with applicable laws, (vi) the Signatory will execute and deliver any additional documents necessary or desirable to complete the surrender of such Common Shares, (vii) the Signatory will not, prior to the Effective Date, transfer or permit to be transferred any of such transmitted Common Shares; and (viii) either the Signatory is not a U.S. Holder, or the Signatory is a U.S. Holder of Common Shares and has completed and returned to the Depository with this Letter a Substitute Form W-9 (see Item 7 under “Instructions”). The Signatory represents that he, she or it has received and has reviewed the Circular. The covenants, representations and warranties of the Signatory contained herein survive the completion of the Arrangement.
3. The Signatory revokes any and all authority, other than as granted in this Letter, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Signatory at any time with respect to the Common Shares being transmitted. No subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, will be granted with respect to the transmitted Common Shares. All authority conferred or agreed to be conferred by the Signatory in this Letter shall survive the death or incapacity of the Signatory and any obligations of the Signatory hereunder shall be binding upon the heirs, legal representatives, successors and assigns of the Signatory.
4. The Signatory instructs the Depository to mail the cheque for the Arrangement consideration as soon as practicable and, in any event, no later than three business days after the latter of the Effective Date and the date that the Common Shares are delivered to the Depository together with a properly completed Letter, by first class mail, postage prepaid, to the Signatory, or to hold such cheque for pick-up, in accordance with the instructions given above. If the Arrangement is not completed, the transmitted Common Shares and all other ancillary documents are directed to be returned to the Signatory in accordance with the same instructions given above.
5. The Signatory surrenders to the Purchaser, in accordance with the terms of the Plan of Arrangement, all right, title and interest in and to the Common Shares and irrevocably appoints and constitutes the Depository the lawful attorney of the Signatory, with full power of substitution to deliver the certificates representing the Common Shares pursuant to the Arrangement and to effect the transfer of the Common Shares on the books and records of the Company.
6. It is understood that pursuant to the rules of the Canadian Payments Association, a Cdn.\$25 million ceiling has been established on cheques, bank drafts and other paper based payments processed through Canada’s clearing system. As a result, any payment to the Signatory in excess of Cdn.\$25 million will be effected by the Depository by wire transfer in accordance with the Large Value Transfer System Rules established by the Canadian Payments Association. Accordingly, settlement with the Signatory in excess of Cdn.\$25 million will be made only in accordance with wire transfer instructions provided by the Signatory to the Depository in writing. In the event wire transfer instructions are required as set out above, the Depository will contact the Signatory promptly following the Effective Time for purposes of obtaining

wire transfer instructions. Any delay in payment by the Depositary or its agent resulting from the provision by the Signatory of wire transfer instructions or otherwise will not entitle the Signatory to interest or other compensation in addition to the amounts to which the undersigned is entitled pursuant to the Arrangement.

7. Under no circumstances will interest on the payment of the Arrangement Consideration in respect of the transmitted Common Shares accrue or be paid to Shareholders, regardless of any delay in making such payment, and the Signatory represents and warrants that the payment of the Consideration in respect of the transmitted Common Shares will completely discharge any obligations of the Purchaser, the Company and the Depositary with respect to the matters contemplated by this Letter.
8. The method used to deliver this Letter and any accompanying certificate(s) representing Common Shares and all other required documents is at the option and risk of the person depositing the same, and delivery will be deemed effective only when such documents are actually received. The Company recommends that such documents be hand delivered to the Depositary at its office specified above, and a receipt obtained. However, if such documents are mailed, the Company recommends that registered mail be used and that proper insurance be obtained.
9. By reason of the use of this Letter by the Signatory, the Signatory is deemed to have required that any contract evidenced by the Arrangement as accepted through this Letter, as well as all documents related thereto, be drawn exclusively in the English language. *En raison de l'usage des présentes letter d'envoi et formule de choix par le soussigné, ce dernier est réputé avoir demandé que tout contrat attesté par l'arrangement, qui est accepté au moyen des présentes letter d'envoi et formule de choix, de même que tous les documents qui s'y rapportent, soient rédigés exclusivement en anglais.*

INSTRUCTIONS

1. Use of Letter of Transmittal

- (a) This Letter (or a manually signed facsimile thereof), together with the accompanying certificate(s) representing Common Shares and all other required documents, must be received by the Depository at the office listed below:

By Mail, by Hand or by Courier

200 University Avenue
Suite 300
Toronto, Ontario
M5H 4H1

Attention: Corporate Actions

- (b) The method used to deliver this Letter, and the accompanying certificate(s) representing Common Shares, and all other required documents, is at your option and risk, and delivery will be deemed to be effective only when such documents are actually received by the Depository. The Company recommends that the necessary documentation be hand delivered to the Depository at the applicable address specified above and a receipt obtained; otherwise the use of registered, insured mail, with return receipt requested, is recommended. Delivery of this Letter to an address other than as specified above will not constitute valid delivery to the Depository.

2. Signatures

- (a) This Letter must be completed, dated and signed by the registered holders of Common Shares or by such person's duly authorized representative in accordance with Instruction 4 below.
- (b) If this Letter is signed by the registered owner(s) of the accompanying certificate(s), such signature(s) on this Letter must correspond with the name(s) as registered or as written on the face of such certificate(s) without any change whatsoever, and the certificate(s) need not be endorsed. If such transmitted certificate(s) is owned of record by two or more joint owners, all such owners must sign this Letter.
- (c) If this Letter is signed by a person other than the registered owner(s) of the accompanying certificate(s):
- (i) such transmitted certificate(s) must be endorsed or be accompanied by appropriate share transfer power(s) of attorney properly completed by the registered owner(s); and
 - (ii) the signature(s) on such endorsement or power(s) of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) and must be guaranteed as noted in Instruction 3 below.

3. Guarantee of Signature

- (a) If this Letter is signed by a person other than the registered owner(s) of the accompanying certificate(s), or if the Arrangement is not completed and the accompanying certificate(s) is to be returned to a person other than such registered owner(s), or sent to an address other than the address of the registered owner(s) as shown on the registers of our transfer agent, or if the payment is to be issued in the name of a person other than the registered owner of the accompanying certificate(s), such signature(s) must be guaranteed by an Eligible Institution (as defined below), or in some other manner satisfactory to the Depository (except that no guarantee is required if the signature is that of an Eligible Institution).

- (b) An “Eligible Institution” means a Canadian Schedule 1 chartered bank, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority, Inc. or banks and trust companies in the United States.

4. Fiduciaries, Representatives and Authorizations

If this Letter is executed by a person as an executor, administrator, trustee or guardian, or on behalf of a corporation, partnership or association or is executed by any other person acting in a representative capacity, this Letter must be accompanied by satisfactory evidence of authority to act. Any of the Company or the Depository, in their discretion, may require additional evidence of authority or additional documentation.

5. Miscellaneous

- (a) If the space provided in this Letter is insufficient, the requested information should be set out on a separate list and attached to this Letter.
- (b) If Common Shares are registered in different forms (e.g., “John Doe” and “J. Doe”), a separate Letter should be signed for each different registration.
- (c) No alternative, conditional or contingent deposits will be accepted.
- (d) Additional copies of this Letter may be obtained from the Depository at its address listed above.
- (e) This Letter will be construed in accordance with and governed by the laws of the Province of Ontario and the laws of Canada applicable therein.
- (f) Before completing this Letter, you are urged to read the accompanying Circular and discuss any questions with financial, legal and/or tax advisors.
- (g) The Company reserves the right, if it so elects, in its absolute discretion, to instruct the Depository to waive any defect or irregularity contained in any Letter received by it.
- (h) All payments will be made in Canadian dollars, unless the Shareholder elects to receive payment in U.S. dollars as described under “Procedure for Payment of Consideration – Currency of Payment” in the Circular by checking the appropriate box provided in this Letter of Transmittal.

6. Lost Certificates

If a share certificate has been lost, destroyed or stolen, the registered holder of that certificate should immediately contact TSX Trust Company at (416) 361-0930 ext. 205 or toll-free at 1 (866) 393-4891. You will be required to complete and submit certain documentation, including a bond and/or indemnity, before you can receive any cash compensation for your Common Shares. This Letter should be completed as fully as possible and forwarded, together with a letter describing the loss, destruction or theft, to the Depository.

7. Substitute Form W-9 — U.S. Shareholders

In order to avoid “backup withholding” of United States income tax on payments made on the Common Shares, a registered Shareholder that is a U.S. Holder of Common Shares must generally provide the person’s correct taxpayer identification number (“**TIN**”) on Substitute Form W-9 and certify, under penalties of perjury, that such number is correct and that such registered Shareholder is not subject to backup withholding. If the correct TIN is not provided or if any other information is not correctly provided, a penalty of up to U.S.\$500 may be imposed on the registered Shareholder that is a U.S. Holder of

Common Shares by the Internal Revenue Service (the “**IRS**”) and payments made with respect to the Common Shares may be subject to backup withholding of 28%.

Backup withholding is not an additional United States income tax. Rather, the United States income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is furnished to the IRS.

Certain persons (including, among others, corporations, certain “not-for-profit” organizations, and certain non-U.S. persons) are not subject to backup withholding. A registered Shareholder that is a U.S. Holder of Common Shares should consult his or her tax advisor as to the Shareholder’s qualification for an exemption from backup withholding and the procedure for obtaining such exemption.

The TIN for an individual United States citizen or resident is the individual’s social security number. The “Awaiting TIN” box of the substitute Form W-9 may be checked if a registered Shareholder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the “Awaiting TIN” box is checked, the registered Shareholder that is a U.S. Holder of Common Shares must also complete the Certificate of Awaiting Taxpayer Identification Number found below the Substitute Form W-9 in order to avoid backup withholding. If a registered Shareholder that is a U.S. Holder of Common Shares completes the Certificate of Awaiting Taxpayer Identification Number but does not provide a TIN within 60 days, such registered Shareholder will be subject to backup withholding at a rate of 28% until a TIN is provided.

8. Return of Certificates

If the Arrangement does not proceed for any reason, any certificate for Common Shares received by the Depository will be returned to you forthwith at the address set forth above or, failing such address being specified, at your last address as it appears on the securities register of the Company.

9. Privacy Notes

The Depository is committed to protecting personal information received from its clients. In the course of providing services to its clients, the Depository receives certain non-public personal information. This information could include an individual’s name, address, social insurance number, securities holdings and other financial information. The Depository uses this information for lawful purposes relating to its services. The Depository has prepared a Privacy Code relating to information practices and privacy protection. It is available by writing to the Depository at 200 University Avenue, suite 300, Toronto, Ontario M5H 4H1, Attention: Corporate Actions. The Depository will use the information provided on this form in order to process the undersigned Shareholder’s request and will treat the Shareholder’s signature(s) on this form as such Shareholder’s consent to the above.

*If you need assistance in completing this Letter of Transmittal, please contact TSX Trust Company at (416) 342-1091, toll-free at 1 (866) 393-4891 ext. 205 or by email at **TMXEInvestorServices@tmx.com**, or contact your professional advisor.*



The Depository is:

TSX Trust Company

By Registered Mail, Mail, Hand or Courier

Toronto

200 University Avenue

Suite 300

Toronto, Ontario

M5H 4H1

Attention: Corporate Actions

Inquiries

North American Toll Free: 1-866-600-5869

Telephone: 416-342-1091

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