

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: February 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.**

In May, 2016, the Company announced the receipt of US\$70 from the Government of Mongolia in settlement of an international arbitration award rendered in favour of Khan in March, 2015.

The proceeds of the settlement with Mongolia were allotted to KRI and its subsidiaries, first to KRI as a reimbursement of the expenses incurred to obtain the award and collect the settlement, and the balance to Khan's subsidiaries based on their proportionate ownership of the underlying properties.

An agreement (the "Khan Bermuda Sale Agreement") was signed and closed on Aug 17, 2016 with an independent third party for the sale of Khan's directly held subsidiary, Khan Resources Bermuda Ltd. ("Khan Bermuda"). Khan Bermuda holds all of the issued and outstanding shares of Khan Resources LLC ("Khan LLC") and CAUC Holding Company Ltd. ("CAUC Holding"), which in turn holds a 58% interest of Central Asian Uranium Company, LLC ("CAUC").

On September 13, 2016, the Company announced a special meeting of shareholders ("Meeting") to be held on November 10, 2016 to approve the voluntary liquidation and dissolution of Khan (the "Winding Up"), which proceedings will include the distribution of cash to shareholders in two or more instalments as part of the Winding Up.

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. Management disputes this assessment and will use all available procedures at its disposal to rectify this assessment in a timely manner.

In January, 2017, the management continued negotiations with the Dutch tax authorities regarding Dutch's preliminary tax assessment.

Additional Information

Additional information relating to the Issuer is available on the CSE Disclosure Hall at www.CSE.ca or on SEDAR at 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. Per note 1 above, the Khan Bermuda Sale Agreement was signed and closed on Aug 17, 2016.

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

N/A

9. **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

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

There were no hiring or terminations during the past month.

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

N/A

12. **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.

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

N/A

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

		Total Proceeds	

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

15. Provide details of any loans to or by Related Persons.

N/A

16. Provide details of any changes in directors, officers or committee members.

No changes in January.

17. 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 February 6, 2016.

Grant A. Edey
Name of Director or Senior Officer

Signed "Grant A. Edey"
Signature

President, CEO and a Director
Official Capacity

Issuer Details Name of Issuer	For Month End December 31, 2016	Date of Report YY/MM/D 17/02/06
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 gedey@rogers.com	Web Site Address www.khanresources.com	