

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: June 2, 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.**

As previously reported the Company had entered into an agreement with Arden Holdings Ltd., ("Arden") a private Turks and Caicos company and its wholly-owned subsidiary ("Arden BidCo") whereby Arden BidCo had agreed to acquire all of Khan's outstanding shares by way of plan of arrangement (the "Arrangement"). Under the Arrangement, Khan's shareholders were supposed to receive cash of C\$0.05 per share. The transaction was subject to Khan shareholders' approval, court approval and other customary closing conditions.

On May 4, 2017 the Arrangement with Arden was terminated based on received proxies that indicated that there would be less than the required two-third majority votes in favour of the transaction.

On May 5, 2017 at the Company's Annual and Special Meeting of Shareholder ("AGM"), the shareholders of the Company elected a new board of directors ("board").

On May 8, 2017 the board announced that it had determined that it would not proceed with the liquidation plan that was approved by the Company's shareholders on November 10, 2016. The liquidation plan approved by the shareholders provided that the Board was authorized not to proceed with the liquidation of the Company if it determines in its discretion that doing so is no longer in the best interests of the Company or its shareholders. The Company's board has determined that it is in the best interest of the Company and its shareholders to consider other possible strategic alternatives for the Company with a view to maximizing its value for the benefit of its shareholders.

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 month of May.

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.

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.

On May 8 2017, after the election of the new board, Grant Edey, former President and Chief Executive Officer of the Company, was terminated. The Company now does not have any employees.

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 ⁽¹⁾
		Total Proceeds	

(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.

At the AGM held on May 5, 2017, Mr. Grant Edey, Mr. Eric Shahinian, and Mr. Loudon Owen and Mr. David McAusland were not re-elected to the board. Mr. Marc Henderson, Mr. Blaise Yerly, Mr. Michael Sadhra and Mr. Kulwant Singh Malhi were elected to the board by an affirmative vote of 66.01% of the shareholder votes cast.

On May 8, 2018, Mr. Marc Henderson was appointed interim Chief Executive Officer and Mr. Michael Sadhra assumed the role of interim Chief Financial Officer.

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 June 2, 2017.

Michael Sadhra
Name of Director or Senior Officer

Signed "Michael Sadhra"
Signature

Interim Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer	For Month End May 31, 2017	Date of Report YY/MM/D 17/06/02
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 Valentyna Loginova	Contact Position Manager of Finance	Contact Telephone No. (416) 360-3405
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