FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: KRI

Number of Outstanding Listed Securities: 76,816,482

Date: January 5, 2015

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.

International Arbitration

The international arbitration action, initiated in January 2011, against the Government of Mongolia, and its state-owned uranium company, MonAtom LLC, for the Government of Mongolia's failure to reissue the Company's mining and exploration licenses for the Dornod uranium project in northeastern Mongolia is nearing completion. The merits and damages phase of the arbitration commenced in August 2012 following the ruling by the Tribunal hearing the action that they had jurisdiction over the action and had dismissed all of Mongolia's objections to the continuance of the suit.

Khan (the "Claimants" in this action) filed its initial submission on the merits and damages of the case in December, 2012. Included in the submission was documentation of an increase in Khan's claim for damages from US$200 million to US$326 million including interest to that point in time. The amount claimed now exceeds US$326 million as interest continues to accrue on any damages to the date of the award. The formal hearing by the Tribunal on the merits and damages for the case was completed as scheduled from November 11 through November 15, 2013. Post-hearing briefs were submitted by the Claimants and the Respondents on February 5, 2014 and on April 11, 2014.The Tribunal is currently in the process of formulating its decision, expected in the next few months.

The Company continues to believe it has a very strong case against the Government of Mongolia for their illegal expropriation of the Dornod asset without appropriate compensation.

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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.**

In the fall of 2013, the Company decided to withdraw from operations in Mongolia. The office in Ulaan-Baatar was closed on June 30, 2014.

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 month of December.

5. **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 cancellation of contracts during the past month.

6. **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.**

N/A

7. **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 hirings, terminations or lay-offs with details of anticipated length of lay-offs.

There were no hirings or terminations during the past month.

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 additional legal proceedings in the past month.

Please, see Item 1 above for details with respect to the monthly activity related to the International Arbitration proceeding against the Government of Mongolia.

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)

(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 during the month.

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.

Dated January 5, 2015.

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, 2014	Date of Report YY/MM/D 15/01/05
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	