

**FORM 51-102F3  
NATIONAL INSTRUMENT 51-102  
MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF NI 51-102**

**FILED VIA SEDAR**

**ITEM 1: NAME AND ADDRESS OF COMPANY**

Khan Resources Inc. (the "**Corporation**")  
130 King Street West, Suite 1800  
Toronto, ON M5X 1E3

**ITEM 2: DATE OF MATERIAL CHANGE**

May 4, 2017

**ITEM 3: NEWS RELEASE**

A copy of the press release was disseminated through Marketwired on May 4, 2017 and subsequently filed on SEDAR. The press release is attached as Schedule A to this report.

**ITEM 4: SUMMARY OF MATERIAL CHANGE**

The Corporation, Arden Holdings Ltd. ("**Parent**") and 2567850 Ontario Inc. (together with the Parent, "**Arden**") have agreed to terminate the arrangement agreement dated as of March 22, 2017 (the "**Arrangement Agreement**") as the Corporation has determined that there will be less than the required two-thirds majority votes in favour of the plan of arrangement (the "**Arrangement**") based on the proxies received.

**ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE**

On March 22, 2017, the Corporation announced that it entered into the Arrangement Agreement with Arden. The Corporation issued a notice of meeting and management information circular, each dated April 6, 2017, for the annual and special meeting to be held on May 5, 2017 (the "**Meeting**"). The cut-off time for revocation of proxies was May 3, 2017 at 5:00 p.m. Toronto time.

After reviewing the proxies received after the cut-off time, the Corporation determined that there will be less than the required two-thirds majority votes in favour of the Arrangement. As a result, the Corporation and Arden agreed to terminate the Arrangement Agreement, and the Corporation agreed to pay the \$175,000 termination fee contemplated in the Arrangement Agreement.

The Arrangement will not be voted upon at the Meeting. The remaining business for the Meeting will therefore be the election of directors and appointment of auditors.

**ITEM 6: RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102**

Not applicable.

**ITEM 7: OMITTED INFORMATION**

Not applicable.

**ITEM 8: EXECUTIVE OFFICER**

For further information, please contact:

Grant A. Edey  
President and CEO  
(416) 360-3405

**ITEM 9: DATE OF REPORT**

May 4, 2017

**KHAN RESOURCES INC.**

By: (signed) Grant A. Edey  
Name: Grant A. Edey  
Title: President and CEO

## SCHEDULE A



CSE: KRI

### **Khan Announces Termination of Agreement with Arden Holdings Ltd.**

**TORONTO, ONTARIO, Canada, May 4, 2017** – Khan Resources Inc. ("**Khan**" or the "**Company**") (CSE: KRI) announces that the arrangement agreement (the "**Arrangement Agreement**") with Arden Holdings Ltd. and its wholly owned subsidiary (together, "**Arden**") to purchase the shares of Khan at \$0.05 per share has been terminated. Based on proxies received, the Company has determined that there will be less than the required two-thirds majority votes in favour of the transaction. The Company and Arden have agreed to terminate the Arrangement Agreement, and the Company has paid the CAD\$175,000 termination fee contemplated in the Arrangement Agreement.

As a result, the transaction will not be voted upon at the Annual and Special Meeting of shareholders to be held on May 5, 2017. The remaining business for the Annual and Special Meeting will be the election of directors and the appointment of auditors.

#### **Investor Relations Contacts:**

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Chairman & CEO  
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