



**CSE: KRI**

**Khan Announces Mailing of Management Information Circular  
With Respect to Plan of Arrangement and Annual and Special Meeting**

**TORONTO, ONTARIO, Canada, April 13, 2017** – Khan Resources Inc. ("**Khan**" or the "**Company**") (CSE: KRI) announces that it has mailed its management information circular, related voting materials and letter of transmittal (collectively, the "**Meeting Materials**") to Khan shareholders (the "**Shareholders**") in connection with the annual and special meeting to be held on May 5, 2017 (the "**Meeting**").

At the Meeting, Shareholders will be asked to approve a transaction (the "**Arrangement**") whereby Arden Holdings Ltd. ("**Arden**"), will acquire all of the issued and outstanding common shares of Khan (the "**Common Shares**") for cash consideration of \$0.05 per Common Share (the "**Cash Consideration**") through 2567850 Ontario Inc. ("**Arden BidCo**"), a wholly-owned subsidiary of Arden, in accordance with the terms of an arrangement agreement dated as of March 22, 2017 between Khan, Arden Holdings and Arden BidCo (the "**Arrangement Agreement**"). The Arrangement is anticipated to be completed in early May 2017. The transaction is subject to Khan shareholder approval, court approval and other customary closing conditions.

The Meeting Materials have been filed on SEDAR and are available at [www.sedar.com](http://www.sedar.com) and [www.khanresources.com](http://www.khanresources.com)

**Background to the Arrangement**

On November 10, 2016, the voluntary liquidation and dissolution of Khan (the "**Winding-Up**") was approved by way of a special resolution (the "**Liquidation Resolution**") by 99.95% of the Common Shares voted at a special meeting of the Shareholders. The Liquidation Resolution gave a clear mandate to Khan, supported by an overwhelming majority of Shareholders, to implement the Winding-Up. The Liquidation Resolution does, however permit the board of directors of Khan (the "**Board**") to discontinue the Winding-Up if it determines that continuing with the Winding-Up is no longer in the best interest of the Company and its Shareholders. Khan currently anticipates that any further distributions pursuant to the Winding-Up would aggregate between \$0.02 and \$0.07 per Common Share (based on the worst case and best case scenarios).

## **Recommendation of the Special Committee and the Board of Directors**

The Arrangement provides Shareholders with the opportunity to receive cash of \$0.05 per Common Share now rather than wait for the completion of the Winding-Up, which could take another year or more. In light of this, the Board has determined that it is in the best interest of Khan and its Shareholders to enable Shareholders to vote on this opportunity. If the required Shareholder approval for the resolution in respect of the Arrangement (the "**Arrangement Resolution**") is not obtained at the Meeting, or the Arrangement is otherwise not completed, the Board will continue to proceed with the Winding-Up of Khan in accordance with the Liquidation Resolution. **Accordingly, the special committee of independent directors formed for the purpose of evaluating the Arrangement (the "Special Committee") unanimously believes, as does all but one of the directors, that the Arrangement is in the best interests of Khan and its Shareholders, and recommend that Shareholders vote their Common Shares IN FAVOUR of the Arrangement Resolution.**

## **Fairness Opinion**

The Special Committee and the Board has received a written fairness opinion (the "**Fairness Opinion**"), dated March 24, 2017, from Blair Franklin Capital Partners Inc. (the "**Financial Advisor**"), which states that in the opinion of the Financial Advisor and based upon and subject to the assumptions, limitations and qualifications contained therein, the Cash Consideration to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.

## **Contact Information**

**For further information about the Arrangement and voting instructions, please contact:**

Laurel Hill Advisory Group

1-877-452-7184 (North American Toll-Free) or (416) 304-0211 (International Collect)

assistance@laurelhill.com.

## **Forward-Looking Statements and Information**

This press release may contain forward-looking statements and forward-looking information. Forward-looking statements and information are characterized by words such as "will", "plan", "expect", "project", "intend", "believe", "anticipate", "forecast", "schedule", "estimate" and similar expressions, or statements that certain events or conditions "may" or "will" occur, including statements and information related to the Arrangement and the completion thereof. Forward-looking statements and information are not historical facts and are based upon a number of estimates and assumptions and are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors, including satisfaction of certain conditions precedent to the Arrangement, that the Arrangement will be completed on the terms set out in the Arrangement Agreement, the impact of international, Netherlands, and Canadian laws, trade agreements, treaties and regulatory requirements on Khan's business, operations and capital structure, regulatory uncertainty and obtaining governmental and regulatory approvals, legislative, political, social, regulatory and economic developments or changes in jurisdictions in which Khan carries on business, changes in market conditions, changes or disruptions in the securities markets and market fluctuations in prices for Khan securities, the existence of third parties interested in purchasing some or all of the common shares or Khan's assets, the method of funding and

availability of any potential alternative strategic transactions involving Khan or its assets, including those transactions that may produce strategic value to shareholders, fluctuations in currency exchange rates and interest rates, including fluctuations in the value of the United States dollar and the Canadian dollar, changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada and the Netherlands and any other jurisdiction in which the Company may carry on business, political instability, insurrection, war or terrorism, hostilities and the occurrence of natural disasters; requirements for additional capital; environmental risks, the need to comply with national and international laws, regulations, treaties or other similar requirements. In addition, a number of other factors could cause actual results to differ materially from the results discussed in such statements and information, and there is no assurance that actual results will be consistent with them. Many of these risks, uncertainties and contingencies can affect the Company's actual results, performance, events or achievements and could cause actual performance, actions, events or results to differ materially from those expressed or implied in any forward-looking information. All of the forward-looking information in this press release is qualified by these cautionary statements. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements containing forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. For further details, reference is made to the risk factors discussed or referred to in Khan's annual and interim management's discussion and analyses and Annual Information Form on file with the Canadian securities regulatory authorities and available on SEDAR at [www.sedar.com](http://www.sedar.com). Such forward-looking statements and information are made or given as at the date of this news release, and Khan assumes no obligation to update or revise them, either publicly or otherwise, to reflect new events, information or circumstances, except as may be required under applicable securities law.

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