

Knight Resources Ltd.

Quarterly Financial Statements For The Three Months Ended December 31, 2006 (Unaudited)

Notice to Reader

The accompanying unaudited financial statements of Knight Resources Ltd. ("the Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of the Company's unaudited interim financial statements as at and for the three months ended December 31, 2006.

KNIGHT RESOURCES LTD.

(An exploration stage company)

Balance Sheets

(Unaudited)

(Canadian Dollars)

	December 31, 2006	September 30, 2006
ASSETS		
Current assets		
Cash and cash equivalents	\$ 862,513	\$ 452,183
Accounts receivable	22,020	18,071
Tax credits recoverable	1,033,596	1,390,380
Prepaid expenses	17,179	10,500
	1,935,308	1,871,134
Property, plant and equipment	12,527	13,299
	\$ 1,947,835	\$ 1,884,433
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 33,946	\$ 209,095
Shareholders' equity		
Share capital (note 5)	19,953,090	19,396,240
Contributed surplus	2,714,837	2,689,917
Deficit	(20,754,038)	(20,410,819)
	1,913,889	1,675,338
	\$ 1,947,835	\$ 1,884,433

Nature of operations and basis of presentation (note 1)

Approved by the Directors:

"Harvey Keats"

"David Patterson"

See accompanying notes to the financial statements.

KNIGHT RESOURCES LTD.

(An exploration stage company)

Statements of Operations

(Unaudited)

(Canadian Dollars)

	Three months ended December 31,	
	<u>2006</u>	<u>2005</u>
Exploration expenditures		
West Raglan (schedule)(note 4)	\$ 154,920	\$ 246,383
General and administrative expenditures		
Accounting and audit fees	8,909	-
Administrative fees	24,000	27,000
Amortization	772	1,389
Directors fees	6,000	6,000
Filing fees	500	1,595
Legal fees	2,733	769
Management fees	29,740	36,422
Office and miscellaneous	24,700	29,610
Promotion	56,232	46,973
Rent	7,500	7,500
Stock-based compensation expense (note 6)	24,920	12,056
Telephone and communications	7,241	3,700
Transfer agent	1,925	2,384
Travel	4,645	11,877
	<u>199,817</u>	<u>187,275</u>
Loss before other item	354,737	433,658
Other item		
Interest income	(11,518)	(3,952)
Loss for the period	<u>\$ (343,219)</u>	<u>\$ (429,706)</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>69,302,087</u>	<u>65,580,040</u>

See accompanying notes to the financial statements.

KNIGHT RESOURCES LTD.

(An exploration stage company)

Statements of Shareholders' Equity

(Unaudited)

(Canadian Dollars)

	Three months ended December 31,	
	<u>2006</u>	<u>2005</u>
Common shares issued & outstanding		
Balance, beginning of period	67,291,217	65,580,040
Issued for cash:		
Private placement	2,500,000	-
Balance, end of period	69,791,217	65,580,040
Share capital (amount)		
Balance, beginning of period	\$ 19,396,240	\$ 19,208,832
Issued for cash:		
Private placement	556,850	-
Subscription proceeds	-	65,900
Balance, end of period	\$ 19,953,090	\$ 19,274,732
Contributed surplus		
Balance, beginning of period	\$ 2,689,917	\$ 2,408,471
Stock options granted and vested	24,920	12,056
Balance, end of period	\$ 2,714,837	\$ 2,420,527
Deficit		
Balance, beginning of period	\$ (20,410,819)	\$ (18,349,818)
Loss for the period	(343,219)	(429,706)
Balance, end of period	\$ (20,754,038)	\$ (18,779,524)
Total shareholders' equity	\$ 1,913,889	\$ 2,915,735

Statements of Comprehensive Loss

(Unaudited)

(Canadian Dollars)

	Three months ended December 31,	
	<u>2006</u>	<u>2005</u>
Loss for the period	\$ (343,219)	\$ (429,706)
Other comprehensive income (loss)	-	-
Comprehensive loss	\$ (343,219)	\$ (429,706)

See accompanying notes to the financial statements.

KNIGHT RESOURCES LTD.

(An exploration stage company)

Statements of Cash Flows

(Unaudited)

(Canadian Dollars)

	Three months ended December 31,	
	<u>2006</u>	<u>2005</u>
Cash Provided by (Used for):		
Operating Activities		
Loss for the period	\$ (343,219)	\$ (429,706)
Items not involving cash:		
Amortization	772	1,389
Stock-based compensation expense	24,920	12,056
Accrued interest income	-	-
Changes in non-cash operating working capital:		
Accounts receivable	(3,949)	(1,708)
Advances for exploration	-	342,076
Tax credits recoverable	356,784	(123,871)
Prepaid expenses	(6,679)	(4,695)
Accounts payable and accrued liabilities	(175,149)	(14,460)
	<u>(146,520)</u>	<u>(218,919)</u>
Financing Activities		
Issuance of common shares	556,850	-
Subscription proceeds	-	65,900
	<u>556,850</u>	<u>65,900</u>
Change in cash and cash equivalents	410,330	(153,019)
Cash and cash equivalents, beginning of period	452,183	649,983
Cash and cash equivalents, end of period	\$ 862,513	\$ 496,964
Cash and cash equivalents consists of:		
Cash	\$ 561,817	\$ 496,964
Redeemable Guaranteed Investment Certificates	300,696	-
	<u>\$ 862,513</u>	<u>\$ 496,964</u>
Cash provided by:		
Interest received	\$ 11,518	\$ 3,952
Tax credits received	\$ 481,004	\$ -

See accompanying notes to the financial statements.

KNIGHT RESOURCES LTD.
(An exploration stage company)
Notes to the Financial Statements
December 31, 2006
(Unaudited)
(Canadian Dollars)

1. Nature of Operations and Basis of Presentation

The Company is a public company incorporated under the Company Act, British Columbia. Its shares are listed on the TSX Venture Exchange and the Frankfurt Stock Exchange. The principal business of the Company is exploration of mineral properties. As of the date of this report, the Company has not determined whether its properties contain reserves that are economically recoverable.

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the three month period ended December 31, 2006 are not necessarily indicative of the results that may be expected for the year ended September 30, 2007. The balance sheet at September 30, 2006 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

2. Significant Accounting Policies

These interim financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual financial statements for the year ended September 30, 2006 (except as described in note 3). For further information, refer to the financial statements and notes thereto included in the Company's Annual Report to Shareholders for the year ended September 30, 2006.

3. Changes in Accounting Policies

Effective October 1, 2006 the Company adopted the Canadian Institute of Chartered Accountants new Handbook Sections 1530 "*Comprehensive Income*" ("HB 1530"), 3855 "*Financial Instruments – Recognition and Measurement*" ("HB 3855"), 3861 "*Financial Instruments – Disclosure and Presentation*" ("HB 3861") and 3865 "*Hedges*" ("HB 3865").

The objective of these new standards is to account for more assets and liabilities at fair value including non-financial derivatives (note 8).

HB 1530 establishes standards for reporting and display of comprehensive income (loss). Comprehensive income (loss) is defined as net income (loss) plus other comprehensive income (loss). Other comprehensive income (loss) comprises revenues, expenses, gains and losses that are excluded from net income (loss), such as, unrealized gains and losses of available for sale securities.

HB 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives.

HB 3861 establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them.

These standards require that financial assets be classified as either trading, available for sale, held-to-maturity or loans and receivables and financial liabilities be classified as either trading or other financial liabilities. Fair value is used for initial measurement for all classes. Fair value is used for subsequent measurement for all classes except for available-for-sale assets (where equity instruments do not have a quoted market price in an active market), loans and receivables and other financial liabilities where amortized cost using the effective interest method is used.

The adoption of these standards has resulted in the Company recognizing available-for-sale investments and all derivative and other financial instruments held for trading as assets or liabilities at fair value. As at October 1, 2006, there were no available-for-sale assets, derivative financial instruments or other financial instruments held for trading. Accordingly, there were no transitional adjustments in respect to these standards that were recorded to opening asset and liability balances and accumulated other comprehensive income (loss).

KNIGHT RESOURCES LTD.
 (An exploration stage company)
Notes to the Financial Statements
December 31, 2006
 (Unaudited)
 (Canadian Dollars)

3. Changes in Accounting Policies (cont'd)

Gains and losses associated with items designated as trading are recorded in operations, separate from any interest or dividends earned on these items. Gains and losses associated with items designated as available-for-sale are recorded as unrealized within other comprehensive income (loss) until such time the item is disposed of or incurs a decline in fair value that is on an other than temporary basis, at which time any gains or losses are then realized and reclassified to operations.

HB 3865 establishes standards for when and how hedge accounting may be applied. Hedging is an activity designed to modify an entity's exposure to one or more risks by creating an offset between changes in the fair value of, or the cash flows attributable to, the hedged item and the hedging item (or changes resulting from a particular risk exposure relating to those items). The Company has not undertaken hedging activities in the past or during the three months ended December 31, 2006 and therefore the adoption of HB 3865 did not have any impact on the Company's financial position, operations or cash flows.

4. Mineral Property

West Raglan Property

Cumulative expenditures	December 31, 2006	September 30, 2006
Exploration expenditures	\$ 14,646,967	\$ 14,367,827
Refundable tax credits and mining duties	(6,127,215)	(6,002,995)
	\$ 8,519,752	\$ 8,364,832

The Company has a 49% participating joint venture interest in the West Raglan Project ('the Project') located in northern Quebec, Canada. Exploration is carried out by Anglo American Exploration (Canada) Limited ('Anglo American') under the direction of a Management Committee comprised of two representatives from each of the Company and Anglo American.

5. Share Capital

During the three months ended December 31, 2006, the Company issued 2,500,000 flow-through common shares through a brokered private placement at a price of \$0.24 per share for proceeds of \$600,000 less fees and costs of \$43,150. Along with the shares, the Company issued one-half of one common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one additional non flow-through common share of the company at a price of \$0.29 until October 18, 2007. For income tax purposes, the subscription funds of \$600,000 have been applied towards carrying out exploration activities and the expenditures have been renounced in favour of the subscriber. Accordingly, the Company does not have available deductions from taxable income in respect of such expenditures.

6. Stock-based Compensation

The Company uses the fair value based method of accounting for all stock-based awards. During the three months ended December 31, 2006, 150,000 stock options granted to investor relations consultants vested with a compensation cost of \$12,150. Also, the Company granted 200,000 stock options to employees with a compensation cost of \$12,770. The Company calculated the compensation cost by using the Black-Scholes option pricing model assuming a weighted average risk-free interest rate of 3.95%, a dividend yield of nil, an expected volatility of 98% and expected life of the stock options of two years.

KNIGHT RESOURCES LTD.

(An exploration stage company)

Notes to the Financial Statements

December 31, 2006

(Unaudited)

(Canadian Dollars)

7. Related Party Transactions

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The following is a summary of the related party transactions that occurred throughout the three months ended December 31:

- a) paid or accrued \$ 6,000 (2005 - \$6,000) for directors fees to a director and a company controlled by a director;
- b) paid or accrued \$29,740 (2005 - \$36,422) for management fees to a company controlled by the CEO and to a company controlled by the CFO;
- c) paid or accrued \$9,610 (2005 - \$23,370) for technical services relating to the West Raglan Property to a company controlled by the CEO and to the Vice President of Exploration; and
- d) paid or accrued \$ 7,500 (2005 - \$7,500) for rent to a company where the CEO is a director.

8. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. A financial asset is any asset that is i) cash; ii) a contractual right to receive cash or another financial asset from another party; iii) a contractual right to exchange financial instruments with another party under conditions that are potentially favorable to the entity; or iv) an equity instrument of another entity. A financial liability is any liability that is a contractual obligation to i) deliver cash or another financial asset to another party; or ii) exchange financial instruments with another party under conditions that are potentially unfavorable to the entity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

As at December 31, 2006, the Company's financial instruments are cash and cash equivalents, accounts receivable, tax credits recoverable and accounts payable and accrued liabilities. The amounts reflected in the balance sheet are carrying amounts and approximate their fair values due to the short-term nature and negligible credit losses.

The Company does not use derivative instruments or hedges to manage risks because the Company's exposure to interest rate risk, credit risk and currency risk is small.

KNIGHT RESOURCES LTD.

(An exploration stage company)

Schedule of Exploration Expenditures

(Unaudited)

(Canadian Dollars)

	Three months ended December 31,	
	<u>2006</u>	<u>2005</u>
West Raglan Property		
Drilling	\$ 44,512	\$ 55,115
Geochemistry	17,719	37,573
Geology	55,678	75,998
Geophysics	38,255	12,911
Mobilization	39,297	20,847
Other	79,110	81,589
Property filing fees	4,365	81,496
Safety and environment	204	4,726
	279,140	370,255
Refundable tax credits	(104,443)	(104,122)
Mining duties refund	(19,777)	(19,750)
	<u>\$ 154,920</u>	<u>\$ 246,383</u>

KNIGHT RESOURCES LTD.
Management's Discussion and Analysis
Three Months Ended December 31, 2006

The following discussion and analysis of the results of operations and financial condition ("MD&A") for Knight Resources Ltd. ("the Company") should be read in conjunction with the unaudited interim financial statements for the three months ended December 31, 2006 and related notes thereto. The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with Canadian generally accepted accounting principles. The effective date of this MD&A is February 28, 2007.

This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Description of Business

The Company is an exploration company engaged in the acquisition and exploration of natural resource properties with potential for nickel, copper, cobalt, platinum and palladium deposits. The Company's primary property is the West Raglan Project, located in the Province of Quebec, Canada. The Company also has an interest in an oil and gas prospect in the Foothills Region of Alberta (the Maycroft Project). The Company is a reporting issuer in British Columbia and Alberta and its shares are listed on the TSX Venture Exchange and the Frankfurt Stock Exchange under the symbols KNP and KRL respectively.

The Company's general and administrative expenditures are related to the level of financing and exploration activities that are being conducted, which may in turn depend on the Company's recent exploration activities and prospects, as well as general market conditions relating to the availability of funding for exploration-stage resource companies. As a result, the Company does not acquire properties or conduct exploration work on its properties on a pre-determined basis. Thus, there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

Risks and Uncertainties

The Company's principal activity of mineral exploration is considered to be very high risk. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, commodity prices, political and economic, with some of the most significant risks being:

1. Substantial expenditures are required to explore for mineral reserves and the chances of identifying economical reserves are extremely small;
2. The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as it requires them;
3. Although the Company has taken steps to verify title to the mineral properties it has an interest in or is earning into, there is no guarantee that the property will not be subject to title disputes or undetected defects; and

4. The Company is subject to the laws and regulations relating to environmental matters, including provisions relating to reclamation, discharge of hazardous material and other matters. The Company conducts its exploration activities in compliance with applicable environmental protection legislation and is not aware of any existing environmental problems related to its properties that may cause material liability to the Company.

Exploration Projects

West Raglan, Quebec

The Company owns a 49% interest in the West Raglan Project (the "Project") located in the Cape Smith Belt in northern Quebec. Anglo American Exploration (Canada) Ltd. ('Anglo American') owns the remaining 51% interest in the Project and is the project operator.

Anglo American has the right to increase its interest in the Project from 51% to 70% by completing, at its own cost, a bankable feasibility study. At the Company's election, Anglo American can further increase its interest in the Project to 75% by arranging production financing for both parties.

Anglo American is a wholly owned subsidiary of Anglo American plc, of London, England. The Company has funded exploration programs on the West Raglan Project in 2003, 2004 and 2005. The results of the 2005 program were described in detail in the Company's news release dated November 2, 2005 and the September 30, 2005 management discussion and analysis dated November 29, 2005.

2006 Program and Plans for 2007

In 2006, a total of 4,303 metres of BQ diamond drilling were drilled in 20 new holes, 1 deepened hole from 2004 and 1 metallurgical hole. The 2006 Program focused on Century, Frontier South, Frontier Central and the BT Zone, all within the Greater Frontier area. The total cost of the 2006 Program was approximately \$3.2 million.

The 2006 Program resulted in a breakthrough in the three dimensional understanding of the complex geological picture in the Frontier area. Discrete mineralized lenses in restricted troughs at the base of steeply dipping ultramafic units have been outlined near surface at Century, Frontier South and Frontier Central. Limited drilling down-dip from known zones and in ultramafic units in the footwall of known zones has intersected mineralization and points to the potential for additional mineralized troughs at the base of ultramafic units. Results of the 2006 Program were reported in Company news releases dated November 20 and 21, 2006. These news releases may be viewed on the Company's web site, www.knightresources.ca, or on SEDAR at www.sedar.com.

The objective of the 2007 Program will be to discover new lenses down-dip and along strike at the base of numerous mapped and interpreted ultramafic units throughout the Frontier area. Down-hole pulse EM surveys will be an essential tool in this endeavour. An 8,000 metre drill program for 2007 is in the planning stage and the total cost is expected to be approximately \$4,500,000.

Anglo American is the operator of the West Raglan Project. The Project is funded 51% by Anglo American and 49% by the Company.

Results of Operations

The Company reported a loss of \$343,219 (2005 - \$429,706) and a loss per share of \$0.01 (2005 - \$0.01) for the three months ended December 31, 2006 ("First Quarter 2006"). The Company's First Quarter 2006 loss is less than the loss reported for the three months ended December 31, 2005 ("First Quarter 2005") due to lower exploration activity.

Exploration

The Company continues to incur exploration expenditures on its West Raglan Project, however, the Company incurred \$91,463 less in 2006 compared to 2005. This is primarily due to the Company expending \$77,131 more in property filing fees in 2005.

Refundable tax credits and mining duties refund are relatively unchanged even though the exploration expenditures are lower in First Quarter 2006 because property filing fees are not included in determining the amount of the tax credits.

General and Administrative

Differences in general and administrative expenses between First Quarter 2006 and First Quarter 2005 are as follows:

- ◆ Administrative fees are slightly less in First Quarter 2006 due to a lower amount of business activity. The Company paid an arms-length private company \$24,000 (2005 - \$27,000) for accounting, secretarial and general administrative services.
- ◆ Filing fees are lower in First Quarter 2006 compared to First Quarter 2005 due to carrying out fewer transactions requiring TSX Venture Exchange approval.
- ◆ Management billed the Company a total of \$39,350 (2005 - \$52,980) for management services for First Quarter 2006. Of these amounts, \$9,610 (2005 - \$23,370) was charged to exploration for technical geological services incurred on the West Raglan Project. Management devotes a portion of their time to the Company and a portion of their time to other companies where they are directors and/or officers. Accordingly, management invoices the Company based on the percentage of time each of the individuals devote to the Company. The total fees decreased as the Company's business and projects required less management time.
- ◆ Office and miscellaneous is lower in First Quarter 2006 compared to First Quarter 2005 due to a lower level of business activity and a lower cost of directors and officers liability insurance.
- ◆ Promotion has increased during First Quarter 2006 compared to First Quarter 2005 because the Company conducted more internet based marketing and added the services of a third investor relations consultant in First Quarter 2006. The Company utilized the services of Institutional Market Communications Inc. to provide European public relations on a month to month basis at a cost of \$5,000 per month plus expenses; Vanguard Shareholder Solutions Inc. to provide North American public relations on a month to month basis at a cost of \$8,000 per month (\$5,000 per month starting December 2006) plus expenses; and Grandich Publications, LLC to provide North American public relations on a month to month basis at a cost of \$1,500 USD per month plus expenses. The Company has suspended the services of Institutional Market Communications effective March 1, 2007.
- ◆ Stock-based compensation is higher in First Quarter 2006 primarily because the Company granted 200,000 stock options to employees compared to nil option grants in First Quarter 2005.

- ◆ Telephone and communications increased in First Quarter 2006 due to increased news release dissemination costs.
- ◆ Travel decreased in First Quarter 2006 as the cost of traveling to investment conferences decreased.

Other Revenue and Expenses

- ◆ Interest income was higher in First Quarter 2006 compared to First Quarter 2005 due to higher interest rates and more cash on hand to earn interest income from tax credits received during First Quarter 2006.

Financial Condition, Liquidity and Capital Resources

The Company's working capital position increased by \$239,323 from the year ended September 30, 2006. The primary reason for this increase was a brokered private placement completed during Fiscal 2006.

The Company's overall cash position has increased by \$410,330. The main sources of cash are the private placement and receipt of \$481,004 of tax credits recoverable. The main uses of cash are exploration and general and administrative expenditures and payment of accounts payable and accrued liabilities.

During Fiscal 2006, the Company issued 2,500,000 units through a brokered private placement at a price of \$0.24 per unit for proceeds of \$600,000 less costs of \$43,150. Each unit consists of one flow-through common share and one-half of one common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one additional non flow-through common share of the Company at a price of \$0.29 until October 18, 2007. These funds will be used for the 2007 Program.

The Company currently does not have any revenue producing assets and therefore will be dependent on additional equity financing in order to continue operations and to finance exploration on the West Raglan Project. There are no assurances that the Company will be able to finance on acceptable terms.

Going forward, the Company is required to fund 49% of exploration costs on the West Raglan Project in order to maintain its interest. As discussed above, an 8,000 metre drill program for calendar 2007 is in the planning stage and is expected to cost approximately \$4,500,000. The Company's portion of this amount totaling \$2,205,000 is expected to be funded by remaining cash on hand, refundable tax credits and future equity financings.

The Company has not entered into any off-balance sheet arrangements.

Selected Quarterly Information

The following selected consolidated financial data has been prepared in accordance with Canadian generally accepted accounting principles and should be read in conjunction with the Company's audited consolidated financial statements. All dollar amounts are in Canadian dollars.

Fiscal Quarter Ended	Interest Income	Loss	Basic & Diluted Loss/Share
December 31, 2006	\$ 11,518	\$ 343,219	\$ 0.01
September 30, 2006	\$ 9,860	\$ 926,945	\$ 0.01
June 30, 2006	\$ 18,414	\$ 155,508	\$ -
March 31, 2006	\$ 4,779	\$ 548,842	\$ 0.01
December 31, 2005	\$ 3,952	\$ 429,706	\$ 0.01
September 30, 2005	\$ 7,897	\$ 1,232,342	\$ 0.03
June 30, 2005	\$ 12,201	\$ 903,430	\$ 0.01
March 31, 2005	\$ 4,790	\$ 613,480	\$ 0.01

From the December 31, 2005 period and onwards, the Company will be funding the West Raglan exploration project on a 49% basis (compared to 100% in prior periods) as the Company earned its 49% interest in the property in the fourth quarter of Fiscal 2005. The quarterly loss for September 2006 and 2005 was significantly more than prior and subsequent periods due to large exploration expenditures incurred during the summer months of July, August and September. Interest income fluctuates depending on the amount of cash on hand the Company has to invest in short term interest bearing investments.

Related Party Transactions

Management fees of \$24,000 (2005 - \$22,892) were paid or accrued to a company owned by Mr. David Patterson. Management fees of \$5,740 (2005 - \$13,530) were paid or accrued to a company owned by Mr. Harvey Keats.

Management fees in relation to technical geological services of \$8,610 (2005 - \$23,370) were paid or accrued to a company owned by Mr. Harvey Keats. Management fees in relation to technical geological services of \$1,000 (2005 - \$Nil) were paid or accrued to Mr. Robin Adair.

Directors fees of \$3,000 (2005 - \$3,000) were paid or accrued to a company owned by Mr. Laurie Sadler. Directors fees of \$3,000 (2005 - \$3,000) were paid or accrued to Mr. John Maher.

Rent of \$7,500 (2005 - \$7,500) was paid or accrued to a company where Mr. David Patterson is a director.

Outstanding Share Data

As at February 28, 2007, the Company had the following securities issued and outstanding:

	<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Common shares	69,791,217	n/a	n/a
Warrants	3,673,334	\$0.35	April 22, 2007
Warrants	1,250,000	\$0.29	October 18, 2007
Stock options	250,000	\$0.25	March 1, 2007
Stock options	340,000	\$0.35	May 30, 2007
Stock options	1,002,500	\$0.30	June 18, 2007
Stock options	315,000	\$0.51	July 28, 2007
Stock options	2,884,000	\$0.17	January 15, 2008
Stock options	750,000	\$0.135	July 3, 2008
Stock options	100,000	\$0.21	July 10, 2008
Stock options	200,000	\$0.12	December 21, 2008
Fully Diluted	80,556,051		

Directors and Officers

David Patterson	Director and CFO	Robin Adair	Director and VP of Exploration
Harvey Keats	Director and CEO	Laurie Sadler	Director
Kerry Sparkes	Director	Erin Walmesley	Secretary

On December 22, 2006, the Company appointed Robin Adair as the Company's Vice-President of Exploration. Mr. Adair holds a B.Sc. and M.Sc. degree in geology from the University of Alberta. Prior to joining the Company, Mr. Adair was employed with Falconbridge Limited / Noranda Inc. for over 25 years in exploration and advanced projects, most recently as Exploration Manager Nickel, North America – Greenland.

David Patterson, Harvey Keats, Robin Adair, Kerry Sparkes and Laurie Sadler were elected as directors at the Company's Annual General Meeting held on January 17, 2007.

Additional Information

Additional information is provided in the Company's audited financial statements for the periods ended September 30, 2006 and 2005. These documents are available on SEDAR at www.sedar.com. Additional information relating to the Company's operations and activities can also be found by visiting the Company's website at www.knightresources.ca.

During the period covered by this report there have been no changes in the Company's internal control over financial reporting that is expected to materially affect or is reasonably likely to materially affect the Company's internal control over financial reporting.