



Energy Central

www.themarkettraders.com

Malcolm Bucholtz B.Sc, MBA Analyst

Trading Note

July 29, 2007

Knight Resources (TSXv:KNP)

The Nickel Exploration Story of 2007 ?

Two weeks ago, I issued an initiation report advising readers to take a serious look at a Canadian nickel exploration story called Knight Resources. I explained how Knight Resources is well situated in north-western Quebec at its West Raglan project, a 720 square kilometer joint venture with Anglo American Exploration (Canada). I further noted that this property is located some 90 kilometers from Xstrata's producing Raglan Nickel Mine which boasts a reported resource of 32 million tonnes averaging 2.8% Nickel.

The geology in the area is complex and drilling back in the 2003/2004 season proved frustrating to geologists at Knight and to shareholders alike. But then in late 2006, Knight hit some significant drill results - nickel contents between 1.71% and 4.16% over widths of 7.8 meters (25 feet) to 24.5 meters (79 feet). These results gave the Knight team a new interpretation of where the elusive nickel pods might be.

Armed with this new data, Knight scheduled an 8000 m (C\$4.5 million) drilling program for the 2007 exploration season to build and expand on these drilling successes noted late in 2006.

And now, Knight's exploration efforts are now being led by Mr. Robin Adair who previously enjoyed an impressive 25 year long career in sulfide mineralization exploration with Falconbridge and Noranda. Under the guidance of Mr. Adair, Knight Resources is now firmly back on track and investors should take note.

This week Knight Resources issued the assay results from just one of the holes recently drilled as part of the 8000 m program (hole WR-07-128). And what a hole it is indeed. Drilling intersected 28.65 m (93 feet) of 1.06% Nickel. Another intersection returned 5.90 m (19 feet) of 2.98% Nickel. Included within this

intersection was 3.10 m (10 feet) of 4.96% Nickel. Drilling on this hole was down to a final depth of 221 meters (718 feet).

Assuming this to be the average depth of drilling on this program, the entire 8000 meters should then result in over 30 holes in total. The markets reacted strongly to the fantastic results on just this one hole. Imagine now, if you will, a whole series of holes with results similar to hole WR-07-128. I say the next couple months are going to offer investors some heart-stopping, adrenalin-filled moments. With the bull market in Nickel remaining strong, and with Knight Resources turning in some impressive assay results, investors are strongly urged to give some serious thought to taking a position in what could well be the Nickel exploration story of 2007.

