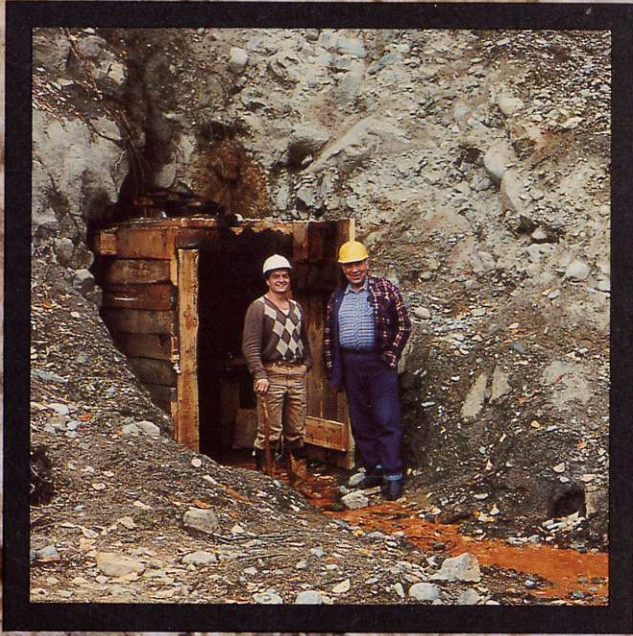


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White
Knight
Resources Ltd.

President's Report

White Knight Resources Ltd. is a dynamic new mineral exploration company managed by a team of professionals with considerable experience and success in finding and exploring new mineral discoveries.

Exploration follows carefully selected and proven steps to ensure the longterm viability of the company. Primary exploration targets are selected for the potential to be low cost producers that could survive periods of depressed metal prices. Regional exploration is refocussed in geologically favourable areas with existing infrastructure. Prior to any field work, a target area is carefully researched and geologic models are developed for the primary target as well as any smaller targets. These geologic models provide the key to quickly assessing the potential of a prospect and are refined as expertise is developed through field work and further research.

In the long term to survive the cyclic swing of metal prices, exploration and mining companies must develop a portfolio of quality mineral properties with exposure to all commodities. White Knight will aggressively pursue regional exploration programs to acquire high potential properties. The company will carry out the preliminary exploration on properties acquired through grassroots programs and then find partners to fund further exploration and development of the properties. In this way, the company's exploration exposure will be maximized and expenditures will be minimized.

White Knight's current mineral properties provide a solid base from which to develop a successful company. The Sullivan Two Ag/Pb/Zn property at Creston B.C. hosts base metal mineralization that has been traced by trenching, mapping and geochemistry along a strike length of 2000 metres. The recent acquisition of an interest in the Lookout Ag/Au/Zn/Pb property at Cranbrook, B.C. provides the company with a second good exploration target. The Lookout hosts a massive sulphide vein that recent trenching has shown to be up to 15 meters true width. This vein is the extension of the St. Eugene-Vine structure currently being explored by Kokanee Exploration and Cominco.

The discovery of an orebody is the culmination of a properly funded program of systematic geologic research and field work. It requires the rigorous application of scientific principles by a team of dedicated and highly trained professionals. Longterm success requires the continuing commitment of both the exploration team and the shareholders or financial backers. White Knight's exploration team is dedicated to the longterm success of your company and we believe that your continued confidence in the success of this company is warranted and will be rewarded.



T. L. Eldridge
President

Sullivan Two

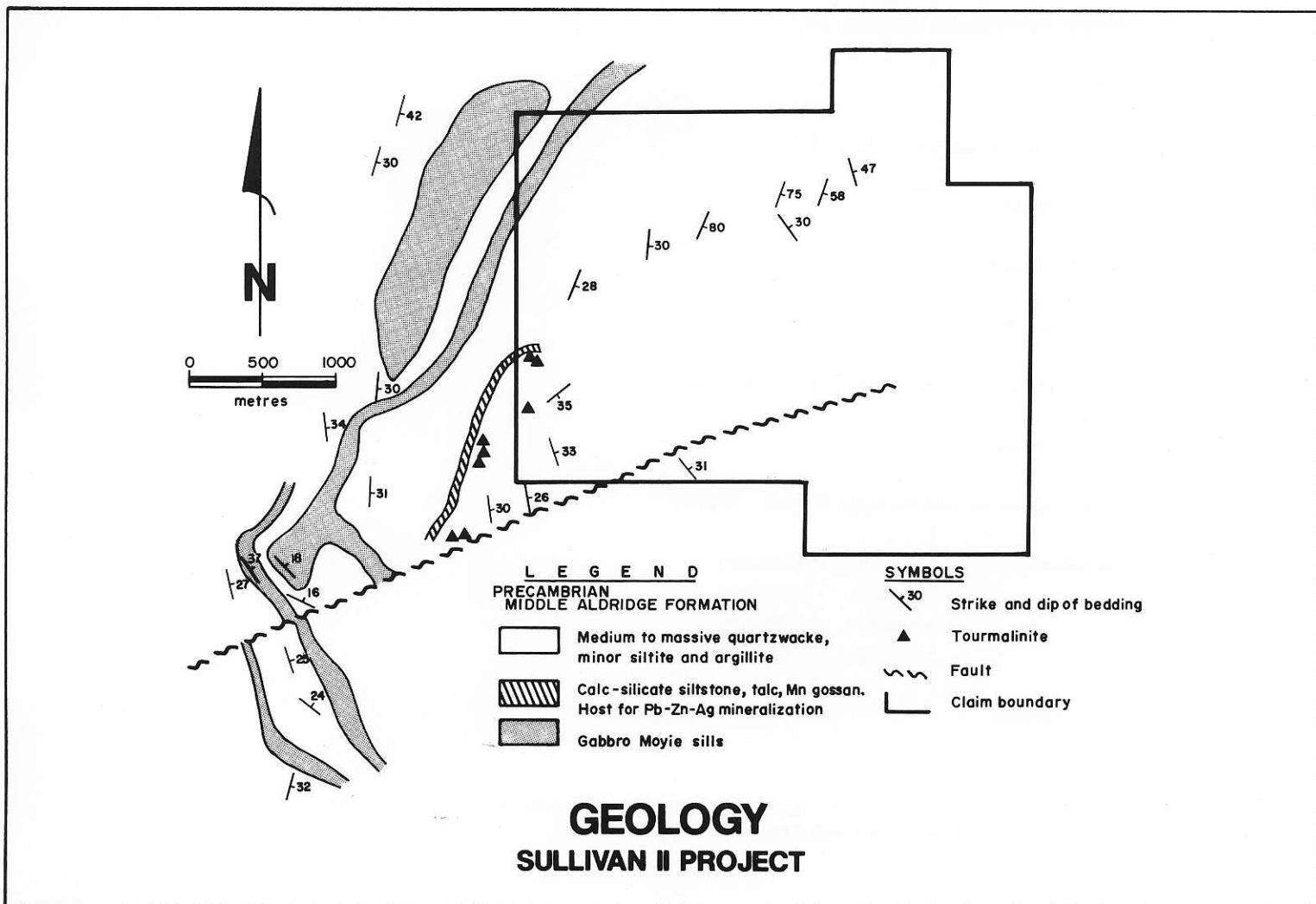
The Sullivan Two property at Creston, B.C. contains extensive stratabound lead-zinc-silver mineralization in Aldridge sediments. Geological mapping, soil geochemistry and trenching has traced the mineralized horizon on surface for about 2000 meters.

The structural setting of the Sullivan Two is similar to Cominco's Sullivan Mine at Kimberley, B.C. The Sullivan mine massive sulphide orebody hosted 180,000,000 tons averaging 6.5% Zn, 6.4% Pb and 65 gram/tonne Ag. The total metal value in present dollars is estimated to be in excess of \$25,000,000,000. Distinctive geological elements associated with the Sullivan Mine are albite and tourmaline alteration, growth fault pattern, fragmentals, and a peripheral lead, zinc, silver apron.

The mineralized horizon on the Sullivan Two closely follows the mountain slope and probably forms a sheet at shallow depths beneath the surface.

Lead-zinc-silver mineralization has been found at several points along the trend of the horizon. Visible mineralization consists of galena and sphalerite grading to 4.99% Pb, 0.3% Zn and 130 gram/tonne/Ag. Surface exposures of the mineralized horizon in trenches are highly oxidized and leached, obtaining a true thickness of 6 metres. This horizon dips to the southeast into a growth fault along the south of the property. Fragmentals, tourmaline and albite alteration are concentrated around this growth fault. The mineralized horizon is analogous to the lead, zinc, silver apron peripheral to the Sullivan Mine.

White Knight geologists believe that the mineralization and distinctive geological elements on the property indicate a high probability that the Sullivan Two Property hosts a Sullivan-type orebody.



Lookout

The Lookout property, located about 10 km southwest of Cranbrook, B.C. covers about 4 km of the St. Eugene-Vine structure. This structure transects at least 3000 m of stratigraphy and represents a deep seated mineralized break within the Aldridge and Creston formations. The structure ranges in width from a few metres to 18 m and comprises hangingwall and footwall sulphide veins separated by a grabboic dyke. The overall strike length of the St. Eugene-Vine structure is about 20 km. At present, one mine, the St. Eugene, one development stage project, the Vine vein, and one prospect, the Lookout vein, are known to exist along the structure.

The St. Eugene mine produced about 1 million tons of lead, zinc and silver ore grading 12% Pb, 1% Zn, and 6 oz/ton Ag. The present value of the ore shipped from the St. Eugene is about \$200 million.

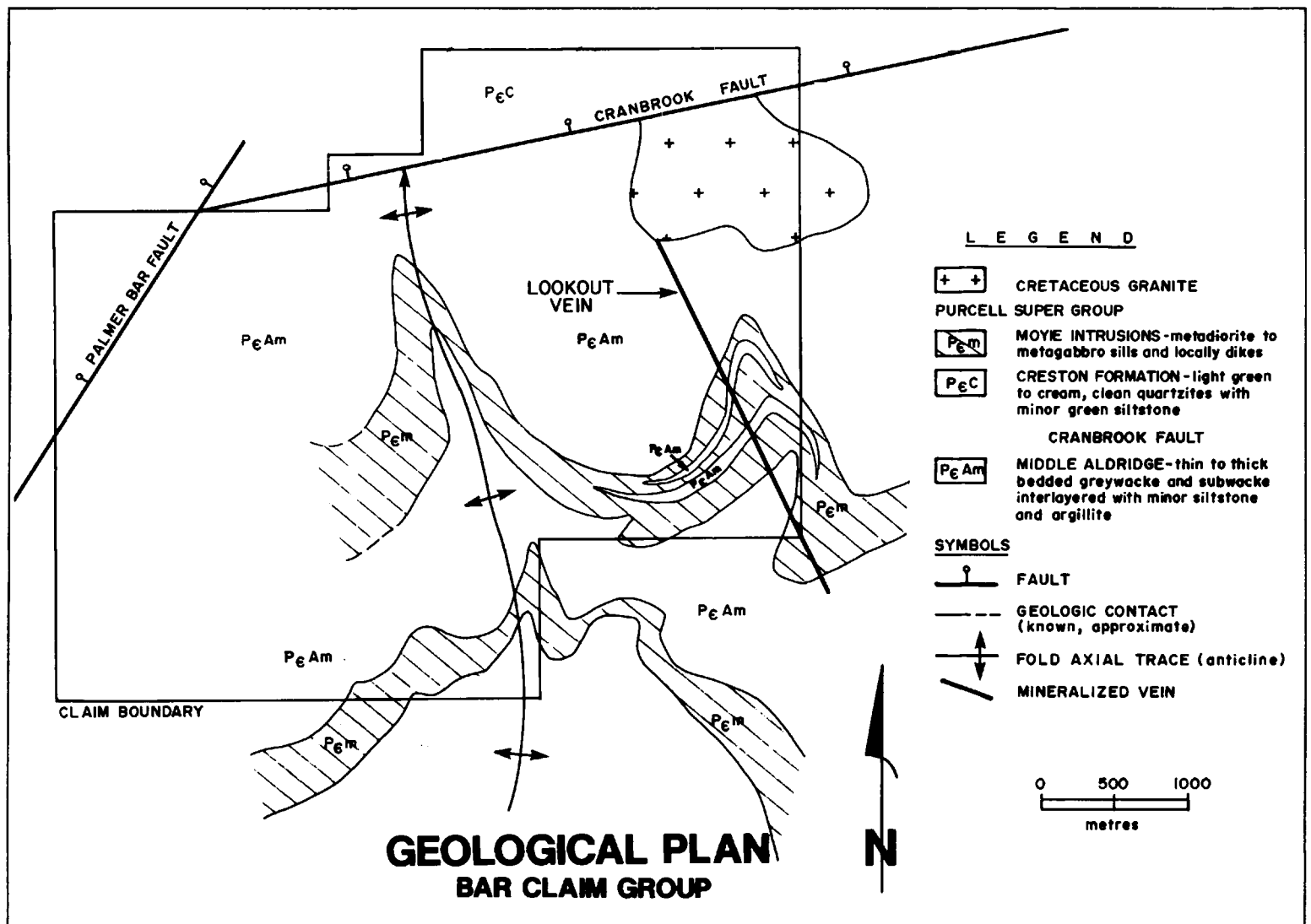
The Vine vein was discovered by Cominco geologist, D. L. Pighin in 1976. The property was optioned to Kokanee Explorations Ltd. in 1988. Work by Kokanee indicates a reserve of 300,000 tons of gold, silver, copper, lead and zinc ore along 600 metres of the structure and to a depth of 120 metres.

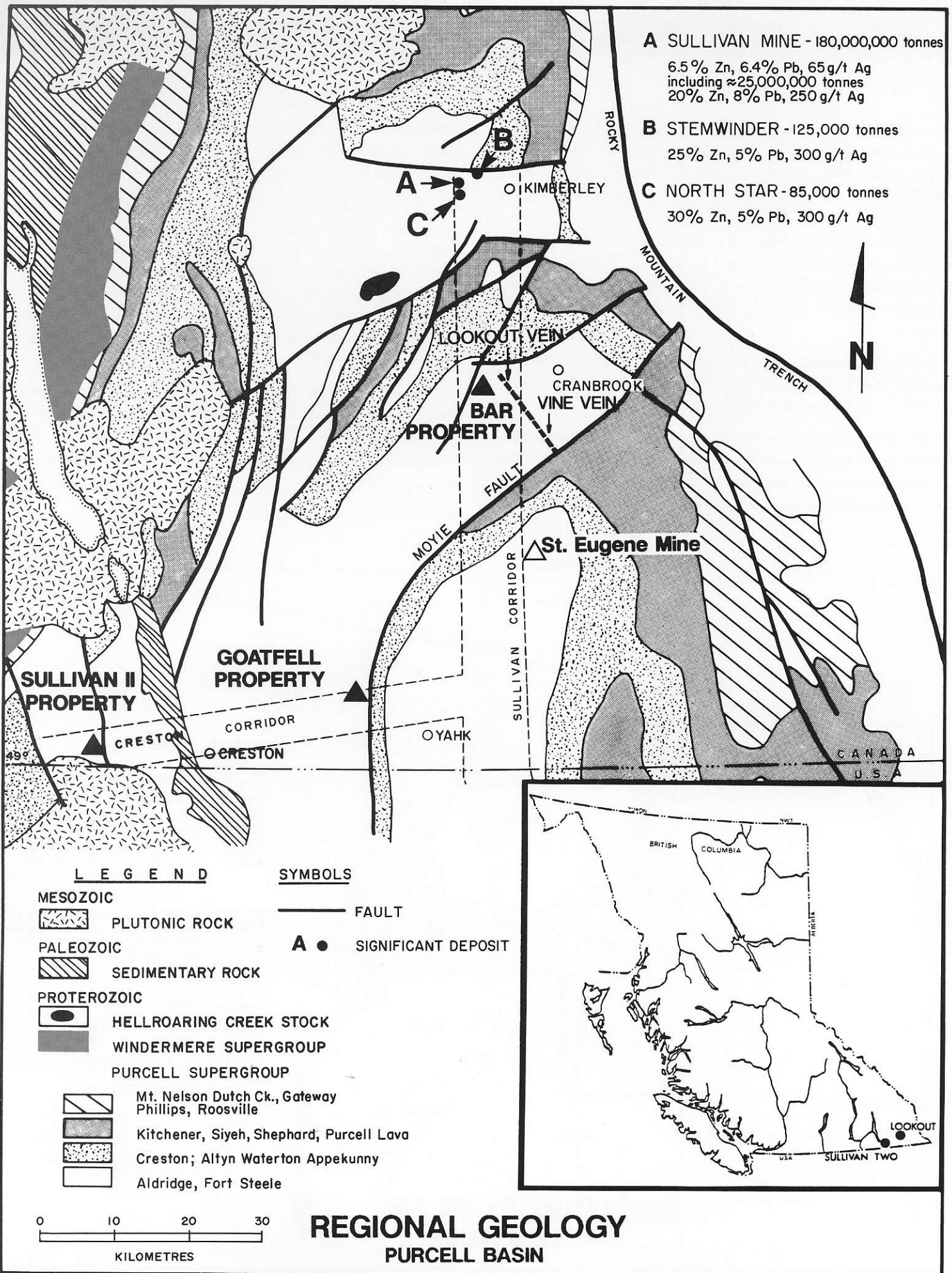
Grades range to 25% combined lead/zinc, up to 8 oz/ton silver and up to 0.49 oz/ton gold with contained metal values from \$75 to \$300/ton. This zone remains open in all directions.

The Lookout property is situated 8 km northwest of the Vine vein along the St. Eugene-Vine structure. The Lookout property hosts a sulfide vein containing gold, silver, copper, lead and zinc mineralization grading up to 8.5% combined lead/zinc, 5.2 oz/ton silver and 1.55 oz/ton gold. The Lookout vein has had limited exploration. Prior to 1940 about 600 feet of underground workings were established on the vein. The vein then went untested until trenching in October, 1989 exposed the structure across a true width of 15 metres.

Geophysics has proven useful in tracing the structure on the property. Trenching in areas of shallow overburden and drilling will follow. Information from deep drilling carried out on the property in 1988 will be used to target favourable host horizons for ore development.

With 4 km of virtually untested St. Eugene-Vine structure on the property, the Lookout has the potential to host significant tonnages.





Corporate Information

Directors

Terry L. Eldridge, P. Eng., President, Vancouver, B.C.

Frank B. Whiting, PHd, Vancouver, B.C.

James M. McDonald, BSc, Vancouver, B.C.

Juan M. Benitez, BAsC, Vancouver, B.C.

Office

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Tel: (604) 681-4462 Fax: (604) 681-0180

Legal Council

Morton and Company, Vancouver, B.C.

Auditors

DeVisser and Company, Vancouver, B.C.

Transfer Agent

Central Guaranty Trust, Vancouver, B.C.

Registered Office

1800-400 Burrard St., Vancouver, B.C. V6C 3A6

Stock Exchange

Listed – Vancouver Stock Exchange Symbol – WKR-V

| | | |
|-------------------------|--------------|------------|
| Capitalization – | Authorized – | 10,000,000 |
| | Issued – | 2,092,000 |
| | Escrowed – | 750,000 |
| | Pooled – | 470,700 |

Broker Contact

Dean S. Duke

Yorkton Continental Securities Inc. Suite 1000, Bentall 4, 1055 Dunsmuir, Vancouver, B.C. V7X 1L4

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**** NEWS RELEASE ****

December 12, 1989
VSE Symbol: WKR
Release # 89-05

LOOKOUT VEIN UNDERGROUND SAMPLING RESULTS

WHITE KNIGHT RESOURCES is pleased to announce assays from samples recently taken from underground development on the Lookout Vein. Underground development work from the early 1900's has been re-opened and confirms the down dip extension of the mineralized zone trenched on surface earlier this fall. Underground sampling, along a 60m strike length, indicates that only the footwall vein of the vein dyke complex was explored, leaving the more base metal rich hanging wall vein completely untested underground.

| SAMPLE # | SAMPLE TYPE | WIDTH | Au **/100 | Ag **/100 | Pb% | Zn% | Cu% |
|----------|-------------|-------|-----------|-----------|------|------|------|
| C100653 | CHIP | 2.5' | 1.539 | 1.13 | 0.57 | 0.02 | 0.14 |
| C100654 | GRAB | | 0.012 | 0.47 | 0.26 | 0.02 | 0.15 |
| C100655 | GRAB | | 0.238 | 0.46 | 0.24 | 0.01 | 0.21 |
| C100656 | GRAB | | 0.013 | 0.22 | 0.13 | 0.02 | 0.12 |
| C100657 | GRAB | | 0.066 | 0.23 | 0.14 | 0.02 | 0.17 |
| C100658 | CHIP | 2.5' | 0.584 | 0.88 | 0.38 | 0.03 | 1.14 |

On Behalf of the Board of Directors:

Terry L. Eldridge
President

This news release was prepared by management and they accept responsibility for its accuracy. The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

WHITE KNIGHT RESOURCES LTD.
GOLDPAC INVESTMENTS LTD.

White Knight Resources Ltd. has acquired the right to earn a 50% interest in the Lookout mineral property from Goldpac Investments Ltd.

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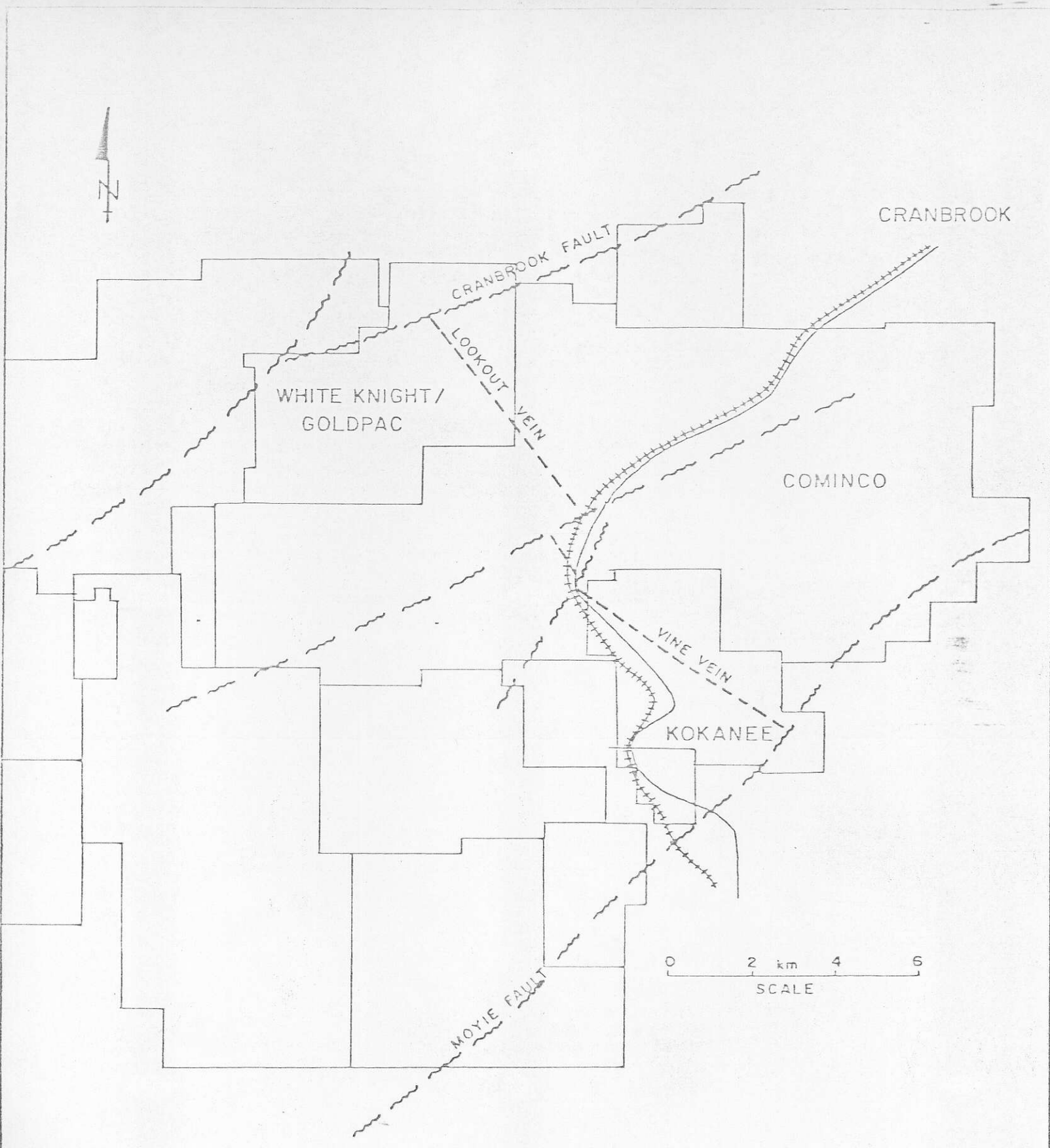
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WHITE KNIGHT RESOURCES LTD. - WKR
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