



WINDY KNOB RESOURCES LIMITED

ACN 122 417 243

Level 25 Exchange Plaza
2 THE ESPLANADE
PERTH WA 6000

Telephone: 08 9223 9898
Facsimile: 08 9267 4202
www.windyknobresources.com.au

27 April 2007

Australian Stock Exchange
Companies Announcement Centre
20 Bond Street
Sydney NSW 2000

THIRD QUARTER ACTIVITIES REPORT

The directors of Windy Knob Resources Limited (“Windy” or the “Company”) are pleased to present the Company’s March quarterly report.

HIGHLIGHTS

- Desktop study of all historical information completed relating to the Company’s four wholly owned projects - Honeymoon Well, Windy Knob Bore, Tuckanarra and Black Tank Well.
- Field activities commenced on 10 March 2007 which have identified numerous ‘ready to drill’ base metal and uranium targets.
- Drilling scheduled to commence in the June quarter, subject to environmental clearances and drill rig availability.
- Potential for calcrete-hosted uranium mineralization has been identified on both the Black Tank Well (application only) and Honeymoon Well prospects. At Honeymoon Well, the uranium potential will be examined over a drainage system that runs north into Lake Way. Grab samples taken from drill cuttings of old water bores have returned elevated levels of uranium. Initial exploration will seek to confirm the presence of calcrete within the area by drilling aircore holes in five fences, 100 meters apart across the paleochannel to ascertain the volume of calcrete (if any is present). This component of the drilling program will total 1,000 meters.
- In the northern section of the Honeymoon Well, mafic and ultramafic rocks located in the hilly north-west section of the license area have returned anomalous based metal values. These are located only two (2) kilometers from the yet to mined Jericho Nickel Deposit. An additional aircore drilling program is planned to test these anomalies, (20 holes averaging 20 meters for 400 meters).

For further information please contact:

David Parker, Company Secretary, Windy Knob Resources Limited, Tel: (08) 9223 9898
Windy Knob website: www.windyknobresources.com.au

Scientific or technical information in this news release has been prepared under the supervision of Mr William Witham BSC (Hons), a Director of the Company and a Member of the Australian Institute of Geoscientists. Mr Witham has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (the JORC Code). Mr Witham consents to the inclusion in this report of the Information, in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

WINDY KNOB RESOURCES PTY LTD

ABN

46 122 417 243

Quarter ended ("current quarter")

31 March 2007

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(5)	(5)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(83)	(174)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	14	14
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(74)	(165)
Cash flows related to investing activities			
1.8	Payment for purchases or renewal of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(74)	(165)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(74)	(165)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2,400	2,550
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(213)	(213)
Net financing cash flows		2,187	2,337
Net increase (decrease) in cash held		2,113	2,172
1.20	Cash at beginning of quarter/year to date	59	0
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,172	2,172

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	10
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Director fees and consultancy charges for Mr W. Witham

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	100
Total	250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	372	59
5.2 Deposits at call	1,800	
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,172	59

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements acquired or increased	N/A		

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	22,000,005	12,750,004	-	-
7.4 Changes during quarter				
(a) Increases through issues	12,000,000	12,000,000	<i>20 cents</i>	<i>20 cents</i>
	2,500,000	NIL	<i>NIL</i>	<i>20 cents</i>
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	6,000,000	NIL	<i>20 cents</i>	<i>31 December 2009</i>
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:

Director



Date: 27 April 2007

Print name: Mathew Donald Walker

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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