



WINDY KNOB RESOURCES LIMITED

ACN 122 417 243

Level 17 Exchange Plaza
2 THE ESPLANADE
PERTH WA 6000

Telephone: 08 9223 9898
Facsimile: 08 9221 5107
www.windyknobresources.com.au

24 October 2007

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

FIRST QUARTER ACTIVITIES REPORT

The directors of Windy Knob Resources Limited ("Windy" or the "Company") are pleased to present the Company's September quarterly report.

HIGHLIGHTS

- A ground EM survey was completed in the September quarter, with results indicating conductors at depth, although surface conductive overburden blanketed much of the response.
- The Company is pleased to announce that it will undertake a RC drilling program in December/January to test EM targets and to follow up on RAB drilling carried out in the June quarter (subject to rig availability).
- This Company is pleased to advise that it has completed the placement of 3,000,000 shares at 30 cents (with a one for two option) to raise \$900,000 before costs since the end of the quarter.

Honeymoon Well South Project

Exploration activity continues for gold and nickel exploration at Honeymoon Well. A ground EM survey was completed in the September quarter. Results indicated conductors at depth, although surface conductive overburden blanketed much of the response. A RC drilling Program is planned for December/January to test EM targets and to follow up on RAB drilling carried out in the June quarter (subject to rig availability).

Windy Knob Bore

Data was re-evaluated for Volcanogenic massive Sulphide (VMS) targets. The ground lies adjacent to known sulphide bodies discovered by CRA in the 1990's. A helicopter-borne Time Domain Electromagnetic Survey is planned for the new year, to further test for VMS targets.

Tuckanarra

Multiclient aeromagnetic and radiometric data was purchased over the entire project area. A soil sampling program over basalts adjacent to old gold workings is planned for the December quarter.

Black Tank Well

This Exploration Licence is yet to be granted. Preliminary desktop work indicates that there is potential for nickel mineralisation in the central greenstone belt and uranium mineralisation adjacent to Lake Austin.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

Completion of Placement

This Company is pleased to advise that it has completed the placement of 3,000,000 shares at 30 cents (with a free attaching one for two option, exercisable at 20 cents on or before 31st December 2009) to raise \$900,000 before costs since the end of the quarter. The funds were raised to fund the ongoing exploration commitments of the Company and for working capital. The Company intends to complete a follow up drilling program of the Wiluna Greenstone belt at the Honeymoon Well South project during the December quarter to target for Nickel and base metal mineralisation.

For further information please contact:

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

The information in this report to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based on the information compiled by 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 mineralization and type of deposit 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.

+ See chapter 19 for defined terms.