

ASX ANNOUNCEMENT

IRON ORE EXPLORATION UPDATE

- **Further hematite intersections from an 82 hole RC drilling program extend Beebyn-Weld Range mineralisation and confirm hematite potential at Beebynganna Hills.**
- **A 121 hole RC drilling program completed to test beneath hills with outcropping hematite mineralisation at the greenfields Earaaheedy Project. Strong hematite alteration noted to significant depths in many holes. First assays just received are positive, including 20 metres @ 55.7% Fe, and 8 metres @ 58.7 % Fe from first hills drilled.**
- **Planned 71 hole drilling program completed at Western Creek, to extend current 40 million tonne resource and test newly acquired Homestead prospect.**
- **Drilling in progress testing channel iron mesas at Anthiby Well prospect, 100 km west of Paraburdoo in the Pilbara region.**

The Directors of Giralia Resources NL ("Giralia") are pleased to provide an update on ongoing exploration and resource drilling at the Company's 100% owned iron ore projects. Over 300 reverse circulation ("RC") holes have been completed since mid August at the Company's Beebyn, Earaaheedy, Western Creek and Anthiby Well iron projects, with drilling continuing. Due to slow assay turnaround (8 weeks delay) there is a significant backlog of results, with assays received for only ~ 30% of holes drilled.

1. Beebyn Iron Ore Project - (Giralia 100%)

Giralia's 100% owned Beebyn project is located in the emerging new MidWest iron ore province of Western Australia. Importantly, 3rd party access rail infrastructure is proposed right to Giralia's "doorstep".

Two target areas for hematite direct shipping ore ("DSO") have been identified at Beebyn. The "**Beebyn-Weld Range**" prospect comprises a 6 kilometre long segment of the north-eastern Weld Range, immediately along strike from the Sinosteel Corporation project. Giralia has outlined an initial JORC Inferred Resource estimate of **7.2 million tonnes @ 57.2 % Fe** for hematite DSO, based on the first 44 RC drill holes completed to date. At the "**Beebynganna Hills**" prospect, an 11 kilometre long iron formation range located 15 kilometres to the south of the Weld Range, surface mapping and sampling by the Company has identified high grade bedded hematite in outcrop, which has never been previously drill tested.

All assays have now been received from an 82 hole program (7279 metres) of RC drilling completed in September. Drilling targeted the three most easily accessed of the seven mapped hematite zones at Beebynganna Hills, and also tested strike extensions to current resource zones on the Weld Range segment.

Assay results from the initial drilling at Beebynganna Hills are encouraging, with several intersections of hematite mineralisation recorded, including **10 metres @ 57.7% Fe** and **6 metres @ 61.8% Fe**. Hematite mineralisation persists to considerable depth (in excess of 100 metres) along the western of two parallel iron formation units tested in the middle of the Beebynganna range. Additionally several holes into the eastern most iron formation intersected thick continuous zones of magnetite rich banded iron formation including hole RCBH042, which returned 108 metres @ 35.2% Fe from surface to end of hole.

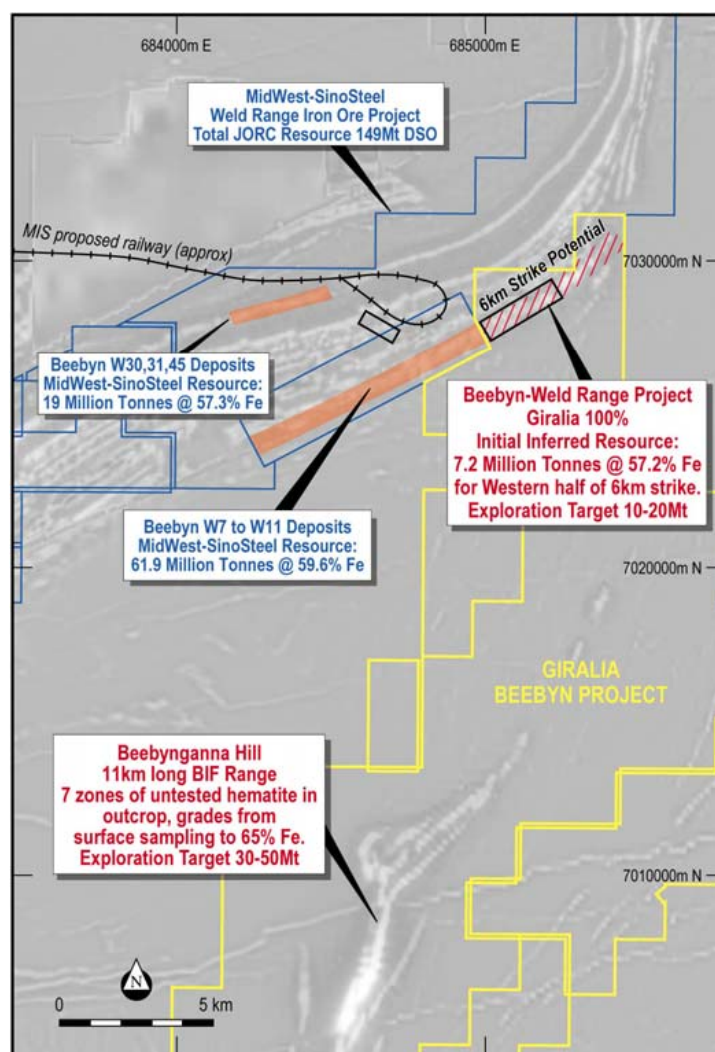
Assays from the Weld Range drilling suggest likely extensions to the east of the Beebyn W24 deposit, including intersections of **12 metres @ 59.3% Fe**, and **6 metres @ 59.0% Fe** at end of hole.

Selected intersections received from Beebynganna Hills (RCBH prefix) and Weld Range (RCB prefix) are shown below;

Beebyn August-September 2008 RC Drilling Results

| Hole No | Coordinates East North | | Dip/Az | Depth (m) | From (m) | To (m) | Interval (m) | Fe % | S % | P % | LOI |
|---------|---------------------------|---------|---------|--------------|-------------|-----------|-----------------|---------|-------|------|-----|
| RCBH007 | 581585 | 7008569 | -60/284 | 126 | 96 | 114 | 18 | 52.3 | 0.02 | 0.04 | 2.7 |
| | | | | incl | 98 | 104 | 6 | 55.3 | <0.01 | 0.03 | 2.9 |
| | | | | and | 110 | 114 | 4 | 56.8 | 0.04 | 0.08 | 1.4 |
| RCBH012 | 581557 | 7008382 | -60/277 | 96 | 80 | 96(EOH) | 16 | 54.6 | 0.11 | 0.09 | 2.3 |
| | | | | incl | 82 | 94 | 12 | 55.8 | 0.12 | 0.09 | 1.4 |
| RCBH013 | 581556 | 7008273 | -50/284 | 120 | 116 | 120(EOH) | 4 | 57.5 | 0.03 | 0.05 | 4.9 |
| | | | | incl | 118 | 120(EOH) | 2 | 61.8 | 0.02 | 0.06 | 6.0 |
| RCBH014 | 581527 | 7008283 | -50/280 | 120 | 30 | 36 | 6 | 59.0 | 0.01 | 0.03 | 2.7 |
| | | | | and | 44 | 48 | 4 | 53.5 | 0.01 | 0.04 | 2.6 |
| | | | | and | 114 | 116 | 2 | 51.5 | 0.01 | 0.11 | 4.5 |
| RCBH015 | 581242 | 7008517 | -55/279 | 114 | 34 | 44 | 10 | 56.6 | 0.01 | 0.03 | 2.8 |
| | | | | incl | 34 | 40 | 6 | 60.0 | 0.01 | 0.03 | 2.3 |
| | | | | and | 62 | 66 | 4 | 51.9 | 0.01 | 0.02 | 3.8 |
| RCBH021 | 581493 | 7008254 | -70/122 | 90 | 8 | 10 | 2 | 52.2 | 0.01 | 0.03 | 4.3 |
| | | | | and | 20 | 30 | 10 | 57.7 | 0.01 | 0.01 | 2.8 |
| | | | | incl | 22 | 26 | 4 | 60.8 | <0.01 | 0.01 | 2.0 |
| RCBH024 | 581483 | 7008050 | -55/285 | 78 | 48 | 54 | 6 | 61.8 | 0.01 | 0.08 | 2.7 |
| | | | | and | 66 | 68 | 2 | 50.9 | 0.01 | 0.08 | 4.3 |
| RCB051 | 585176 | 7028313 | -50/321 | 90 | 30 | 44 | 14 | 53.5 | 0.01 | 0.12 | 8.2 |
| | | | | incl | 30 | 34 | 4 | 59.9 | 0.01 | 0.15 | 7.1 |
| | | | | and | 84 | 90 (EOH) | 6 | 59.0 | 0.01 | 0.02 | 3.0 |
| RCB053 | 585423 | 7028470 | -50/326 | 96 | 8 | 16 | 8 | 53.7 | 0.01 | 0.05 | 5.2 |
| RCB056 | 585579 | 7028592 | -50/323 | 114 | 32 | 34 | 2 | 50.6 | 0.01 | 0.06 | 5.4 |
| | | | | and | 50 | 52 | 2 | 58.2 | 0.01 | 0.12 | 7.6 |
| | | | | and | 86 | 88 | 2 | 58.0 | 0.02 | 0.08 | 5.0 |
| RCB057 | 585601 | 7028571 | -60/323 | 108 | 22 | 24 | 2 | 55.8 | 0.01 | 0.25 | 9.9 |
| RCB059 | 585681 | 7028651 | -50/330 | 90 | 70 | 72 | 2 | 53.4 | 0.03 | 0.07 | 4.8 |
| RCB060 | 585690 | 7028632 | -60/326 | 96 | 0 | 4 | 4 | 53.5 | 0.05 | 0.01 | 5.3 |
| RCB061 | 585749 | 7028706 | -50/321 | 84 | 4 | 12 | 8 | 51.3 | 0.04 | 0.05 | 6.5 |
| | | | | and | 44 | 52 | 8 | 55.8 | 0.01 | 0.06 | 4.2 |
| RCB063 | 585827 | 7028736 | -50/325 | 42 | 34 | 36 | 2 | 50.5 | 0.01 | 0.10 | 5.3 |
| RCB065 | 585932 | 7028772 | -50/323 | 84 | 38 | 42 | 4 | 58.7 | 0.02 | 0.10 | 6.1 |
| | | | | and | 60 | 72 | 12 | 59.3 | 0.01 | 0.10 | 6.3 |
| RCB071 | 585709 | 7029101 | -50/330 | 42 | 12 | 16 | 4 | 53.6 | 0.01 | 0.03 | 5.8 |
| | | | | and | 18 | 20 | 2 | 51.6 | 0.01 | 0.01 | 3.6 |
| RCB073 | 585922 | 7029206 | -50/329 | 42 | 10 | 14 | 4 | 51.4 | 0.02 | 0.04 | 5.9 |
| RCB077 | 586312 | 7028850 | -50/335 | 54 | 20 | 22 | 2 | 52.3 | 0.01 | 0.02 | 5.3 |

Intersections quoted using lower cut-offs of 50% and 55% Fe. All coordinates in MGA Zone 50 GDA 94, by DGPS ($\pm 0.1m$). XRF analyses by Spectrolab Laboratory Geraldton. RC drill samples collected as 2 metre riffle split composites. QA/QC included field duplicate samples and standards .



Beebyn project summary plan on grey scale aeromagnetic image

2. Earraheedy Iron Ore Project (Giralia 100%)

Early assay results have been received from a recently completed RC drilling program to test for direct shipping iron ore beneath widespread hematite outcrops in the Miss Fairbairn Hills area at the Company's wholly owned Earraheedy project.

Giralia's tenements cover 570 square kilometres, including 130 strike kilometres of the most iron-ore prospective areas of the northern Earraheedy Basin, 100 km north of Wiluna, and 200 km south of Newman in Western Australia. Past exploration work in the late 1970s, principally by Amax Exploration (Australia) Inc. ("Amax"), resulted in the location of widespread areas of hematite enrichment with surface grades up to 66% Fe. A small program of shallow drilling by Amax returned intersections of 22 metres @ 56.5% Fe including 14 metres @ 59.3% Fe, and 4 metres (to end of hole) @ 60.4% Fe wholly within Giralia's current tenements. Giralia's mapping and rock sampling has confirmed high-grade outcropping hematite mineralisation.

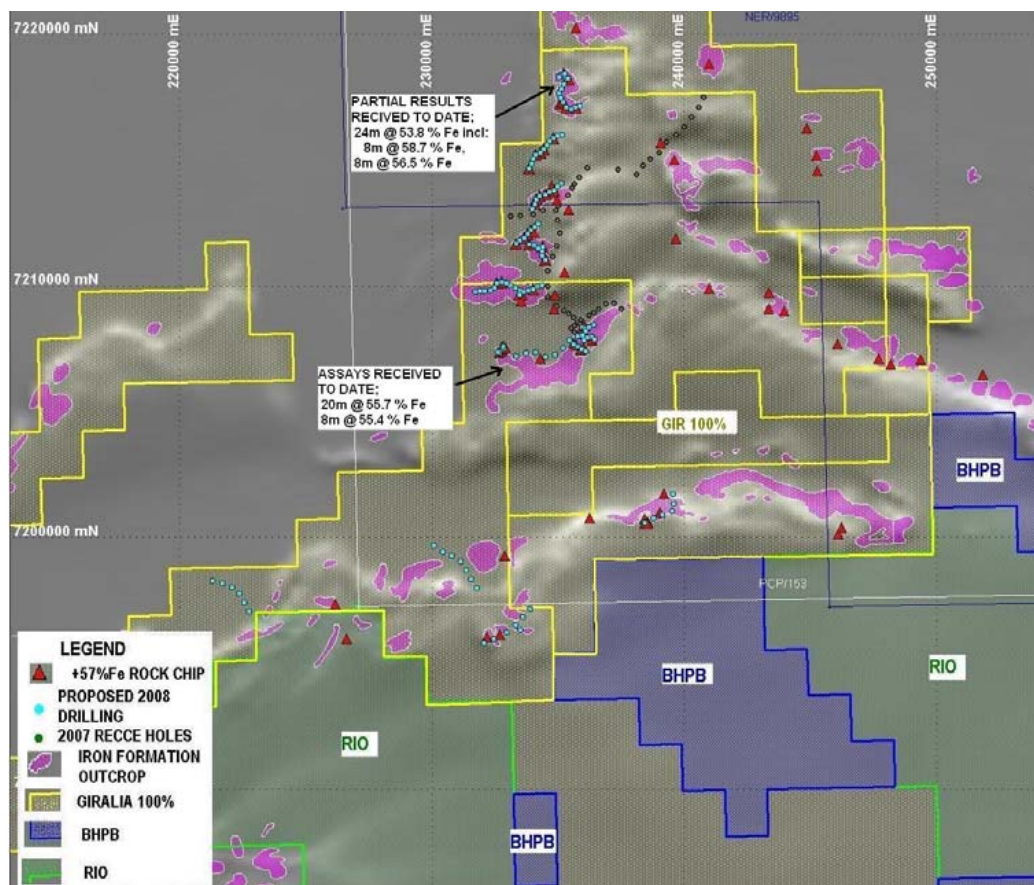
A total of 8 of the 23 hills of known +57% Fe outcrop were tested in this first significant drill program. In all 121 holes were completed for 7694 metres of RC drilling. Holes were drilled predominantly as single traverses of 200 metres spaced vertical holes along new tracks constructed to access the crests of the low hills.

Four metre composite assay results have been received to date for holes drilled into one hill to the south of the area, and part of one hill in the far north. The results are regarded as very encouraging and a confirmation of deep penetrative hematite enrichment of the iron formations in the Miss Fairbairn Hills. In particular hole RCE047 intersected hematite mineralization from surface to end of hole, including **20 metres @ 55.7% Fe**, within an overall zone of 40 metres @ 51.6% Fe, and 24 metres @ 53.8% Fe including **8 metres @ 58.7% Fe**. Selected intersections received to date are shown below;

Earaheedy Project October-November 2008 RC Drilling Results

| Hole No | Coordinates | | Dip/Az | Depth (m) | From (m) | To (m) | Interval (m) | Fe % | S % | P % | LOI |
|---------|-------------|---------|--------|-----------|----------|--------|--------------|-------------|------|------|------|
| | East | North | | | | | | | | | |
| RCE046 | 232945 | 7207655 | -90 | 72 | 16 | 20 | 4 | 52.4 | 0.07 | 0.03 | 4.3 |
| RCE047 | 232898 | 7207583 | -90 | 65 | 20 | 40 | 20 | 55.7 | 0.06 | 0.04 | 5.2 |
| | | | | and | 52 | 60 | 8 | 53.6 | 0.01 | 0.05 | 4.6 |
| RCE051 | 232805 | 7207573 | -90 | 78 | 56 | 60 | 4 | 51.1 | 0.01 | 0.05 | 7.8 |
| RCE053 | 232902 | 7207686 | -90 | 54 | 4 | 12 | 8 | 50.6 | 0.07 | 0.02 | 4.2 |
| RCE056 | 232456 | 7207383 | -90 | 18 | 4 | 8 | 4 | 50.4 | 0.03 | 0.02 | 3.3 |
| RCE060 | 234997 | 7207440 | -90 | 84 | 56 | 64 | 8 | 55.4 | 0.01 | 0.18 | 10.8 |
| RCE067 | 235893 | 7208162 | -90 | 78 | 8 | 12 | 4 | 52.9 | 0.03 | 0.04 | 5.5 |
| | | | | and | 72 | 76 | 4 | 57.7 | 0.01 | 0.01 | 1.9 |
| RCE073 | 236212 | 7208361 | -90 | 78 | 0 | 4 | 4 | 52.8 | 0.06 | 0.02 | 5.5 |
| RCE077 | 236099 | 7208532 | -90 | 42 | 8 | 12 | 4 | 51.8 | 0.02 | 0.03 | 3.9 |
| RCE081 | 235456 | 7217267 | -90 | 68 | 8 | 12 | 4 | 51.1 | 0.06 | 0.03 | 4.7 |
| | | | | and | 20 | 24 | 4 | 50.2 | 0.02 | 0.01 | 3.6 |
| RCE088 | 235520 | 7218396 | -90 | 60 | 0 | 24 | 24 | 53.8 | 0.04 | 0.04 | 5.7 |
| | | | | incl | 4 | 12 | 8 | 58.7 | 0.03 | 0.04 | 4.4 |
| RCE090 | 235340 | 7218498 | -90 | 72 | 0 | 20 | 20 | 51.7 | 0.04 | 0.03 | 4.9 |
| RCE093 | 235318 | 7218578 | -90 | 66 | 4 | 12 | 8 | 56.5 | 0.06 | 0.03 | 5.1 |
| RCE094 | 235174 | 7218486 | -90 | 54 | 0 | 4 | 4 | 58.3 | 0.03 | 0.05 | 7.6 |

Intersections quoted using lower cut-offs of 50% and 55% Fe. All coordinates in MGA Zone 51 GDA 94, by hand held GPS ($\pm 6m$). XRF analyses by Spectrolab Laboratory Geraldton. RC drill samples collected as 4 metre composites. QA/QC included field duplicate samples and standards.

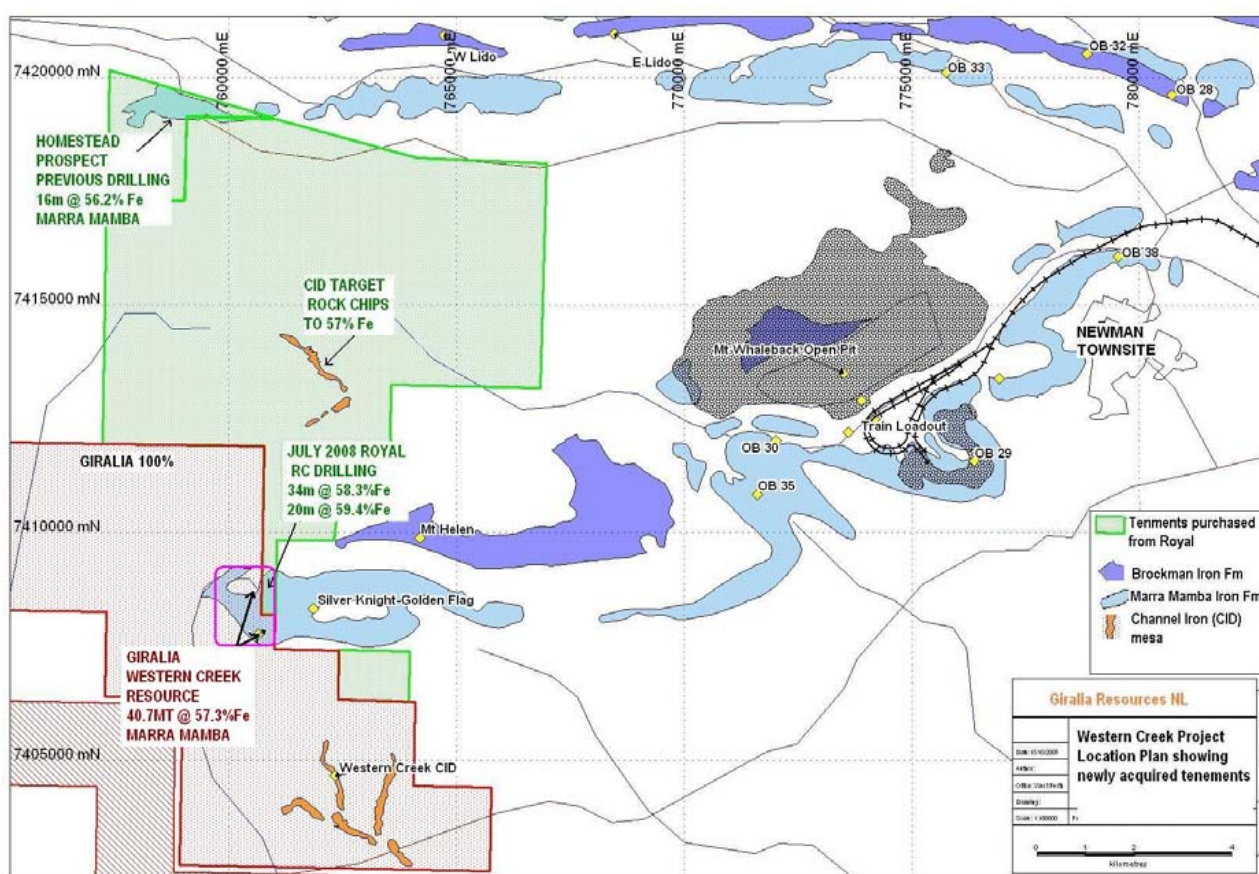


Earaheedy Project, grey scale aeromagnetics with Giralia tenure (yellow) showing iron formation outcrops (pink) and October-November 2008 drilling (blue dots).

Western Creek Project

Giralia's 100% owned Western Creek tenement adjoins the BHP Mt Newman iron-ore mining leases in the Western Ridge area around 15 kilometres west of Newman in the Pilbara region. Giralia has outlined a current Inferred Mineral Resource of **40.7 million tonnes @ 57.3% Fe** as a direct extension of BHP Billiton's adjoining Silver Knight-Golden Flag deposit. Giralia's drill programs to date have intersected a number of thick zones of near surface Marra Mamba iron ore including; **50m @ 58.2% Fe, 50m @ 60.4% Fe and 42m @ 59.1% Fe.**

Drilling has recommenced at Western Creek, with a further 49 RC holes completed to date targeting extensions to the current resource, and 22 holes drilled as an early test of the newly acquired "Homestead" prospect, where limited previous drilling by Pacminex in 1975 intersected up to 16 metres @ 56.2% Fe in the Marra Mamba Formation. No assays have been received to date from the recent program.



Location of Giralia's Western Creek Project (red) and newly acquired tenements (green) near BHP Billiton's Newman operations.

R M Joyce
DIRECTOR

9 December 2008

The information in this report that relates to Exploration Results is based on information compiled by R M Joyce, who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of the Company. Mr Joyce has sufficient experience which is relevant to the style of mineralisation 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'. Mr Joyce consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

About Giralia Resources NL

Giralia Resources NL ("ASX: GIR") is a well funded (**\$73 million cash**) mineral exploration company based in Perth, Western Australia. Giralia's iron ore projects in Western Australia are the Company's major exploration and development focus:

Beebyn (100%) – Hematite (MidWest) – Adjoins Sinosteel Weld Range deposits. Initial Inferred Mineral Resource **7.2 million tonnes @ 57.2% Fe**. Major upside at nearby Beebynganna Hills project, where 7 new zones of hematite have been discovered.

Western Creek (100%) – Hematite (15 km W of Newman) – Marra Mamba iron ore as direct extensions to BHP Silver Knight deposit. Inferred Mineral Resource **40.7 million tonnes @ 57.3% Fe**. Deposit is near surface and shallow dipping, with several zones open ended.

Earaheedy (100%) – Hematite (200 km S of Newman) – Historic drilling; 14 metres @ 59.3% Fe. 23 known hills with rock sample grades over 57% Fe, within 130 kilometres of iron formations on Giralia tenements, with shallow dips indicating large tonnage potential.

McPhee Creek (100%) – CID (Pilbara) – Channel iron deposit (CID) mesa, new drill intersections include 12 metres @ 56.1 % Fe, 10 metres @ 57.2% Fe. Initial Inferred Mineral Resource **5.17 million tonnes @ 53.6% Fe (60.4%CaFe)**.

Daltons (75%) - Hematite (Pilbara) – newly discovered 600 metre by 450 metre zone of massive hematite outcrop, surface samples average 63.3% Fe. Only 40km from FMG, BHP rail lines.

Yerecoin – Magnetite (150 km from Perth) – 1 km to railway. Coarse magnetite; 70.1 % Fe from initial DTR testwork.

The Company also has significant other commodity interests, including the Lake Frome Joint Venture around the operating Beverley uranium mine in South Australia, and the 100% owned 170,000 ounce Snake Well gold project.

In addition to its strong cash balance Giralia also holds significant stakes in several ASX listed companies (shown below) which are held largely as a result of the spin-off of independently managed and funded companies over the last 2 years. Giralia shareholders have benefited through priority IPO entitlements and in specie distributions, and ongoing exposure to upside from exploration success.

| | | | |
|---------------------------------|--------------|----------|-----------------------|
| PacMag Metals Limited | ("ASX: PMH") | copper | (Giralia~10.4% stake) |
| U3O8 Limited | ("ASX: UTO") | uranium | (Giralia ~16.3%stake) |
| Zinc Co Australia Limited | ("ASX: ZNC") | zinc | (Giralia ~12% stake) |
| Carpentaria Exploration Limited | ("ASX: CAP") | NSW, Qld | (Giralia~ 10.4%stake) |
| Hazelwood Resources Ltd | ("ASX: HAZ") | nickel | (Giralia ~5.1% stake) |
| Peninsula Minerals Limited | ("ASX: PEN") | uranium | (Giralia ~ 2% stake) |