

## ASX ANNOUNCEMENT

### EXCELLENT RESULTS FROM INITIAL DRILLING AT YERECOIN MAGNETITE PROJECT

- Initial wide spaced drilling at Yerecoin magnetite project returns positive results;
  - Intersections include;
    - **72 metres @ 32.4% Fe including 56 metres @ 35.7% Fe**
    - **50 metres @ 30.3% Fe within 116.3 metres @ 21.7% Fe**
- Excellent magnetic separation results from sighter Davis Tube Testwork
  - **Typical DTR concentrate grades > 70% Fe, < 2% SiO<sub>2</sub>**
  - **Typical DTR weight recoveries > 40%**
- Exceptionally coarse grind size for magnetite liberation
- Key is existing railway within 1 kilometre

The Directors of Giralia Resources NL ("Giralia") are pleased to provide a progress update on recent exploration and development activity on the Company's 100% owned Yerecoin magnetite iron ore project.

Giralia's wholly owned Yerecoin project is located 10 kilometres east of New Norcia and 150 kilometres north of Perth, within 1 kilometre of existing rail access. Moderately dipping Archaean aged Banded Iron Formation ("BIF") outcrops over a strike length of approximately 1.5 kilometres within the tenement area on wooded hills within cultivated paddocks. A detailed aeromagnetic survey flown by Giralia in late 2007 highlighted significant strike extensions to the outcropping iron formations, with around 10 kilometres of strike of magnetic anomalies on Giralia's tenement. Previous surface rock sampling of the limited outcrops of magnetite rich material by Giralia had returned average grades of in excess of 40% Fe.

An initial program of reverse circulation ("RC") drill traverses and deeper diamond core holes was completed in February-March 2009 to test the subsurface grade and thickness of the iron formations and provide fresh material for metallurgical testwork. A total of 23 holes (2043 metres) were completed including 3 diamond core tails (295.5 metres) in five drill traverses across outcropping and buried BIF units over around 3 kilometres of strike.

Three traverses tested a north-north-west trending BIF range over 2 kilometres long and largely covered with remnant vegetation. Here the BIF unit dips at approximately 65 degrees to the north east and is up to 80 metres thick. Better intersections of banded magnetite rich material include hole RCY001; **72 metres @ 32.4%Fe**, RDY002; **52.4 metres @ 31.6 %Fe**, and RDY004; **36.8 metres @ 30.5% Fe**.

Two further traverses tested a 1 kilometre long east-north-east striking magnetic anomaly beneath wheat paddocks to the north. The BIF unit dips more shallowly (average around 45 degrees to the south east) in this area and comprises a massive magnetite rich BIF layer up to 80 metres thick with further bands of magnetite intercalated with granite-gneiss in the footwall. Significant intersections included RDY017; **50.6 metres @ 30.2%Fe within 116.26 metres @ 21.7%Fe**.

**Table 1; February-March 2009 Drilling Yerecoin Project Intersections >20% Fe**

Hole No	Type	Depth (m)	Precollar Depth (m)	East	North	incl	azim	From (m)	To (m)	Intersection (m)	Fe%
RCY001	RC	113		439764	6575714	-60	250	24	96	<b>72</b>	<b>32.4</b>
							incl	24	80	<b>56</b>	<b>35.7</b>
RDY002	DDH	274	83	439897	6575781	-60	250	188.64	241.08	<b>52.44</b>	<b>31.6</b>
RCY003	RC	101		440102	6575448	-60	250	32	48	<b>16</b>	<b>29.1</b>
RDY004	DDH	156.2	131	439974	6575372	-60	250	100	136.8	<b>36.8</b>	<b>30.5</b>
RCY008	RC	77		439662	6575718	-60	280	0	24	<b>24</b>	<b>29.5</b>
RCY010	RC	83		439522	6576495	-60	270	36	60	<b>24</b>	<b>27.0</b>
RCY012	RC	89		439740	6576500	-60	270	36	72	<b>36</b>	<b>23.8</b>
RCY013	RC	89		439838	6576496	-60	270	72	84	<b>12</b>	<b>21.6</b>
RCY015	RC	59		440524	6577399	-60	360	24	32	<b>8</b>	<b>24.9</b>
RCY016	RC	71		440499	6577315	-60	360	24	60	<b>36</b>	<b>29.6</b>
RDY017	DDH	189.3	101	440498	6577197	-60	358	60	176.26	<b>116.26</b>	<b>21.7</b>
							incl	60	110.6	<b>50.6</b>	<b>30.2</b>
RCY020	RC	37		439998	6577159	-60	4	12	28	<b>16</b>	<b>33.2</b>
RCY021	RC	65		440198	6575497	-60	251	52	65eoh	<b>13</b>	<b>31.4</b>
RCY022	RC	60		440002	6577162	-80	180	12	42	<b>30</b>	<b>28.9</b>
RCY023	RC	60		439764	6575710	-90	0	42	60eoh	<b>18</b>	<b>34.9</b>

RC prefix =reverse circulation hole, RD prefix= diamond drilled tail. Drill core samples ¼ NQ2, RC samples 4 metre composites. Analyses by XRF Spectrolab Geraldton. NSV=no magnetite zones with Fe grades >20%. eoh=open at end of hole

Sighter Davis Tube recovery testwork was completed on a selection of pulp samples from the drilling program to establish magnetic separation characteristics. Results from the sighter magnetite recovery tests are very positive, returning average weight recoveries of in excess of 40%, and DTR concentrate grades of over 70% Fe, and less than 2% SiO<sub>2</sub>, which indicate potential for a premium product.

**Table 2; sighter DTR results on unoxidised pulp samples with original grade >30%Fe**

Hole	Fr (m)	To (m)	original Fe%	DTR	DTR	DTR	DTR	DTR	Weight Recovery%
				Fe%conc	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	S%	
RCY001	60	64	30.03	<b>71.35</b>	1.76	0.32	0.006	0.005	<b>33.56</b>
RCY004	104	108	36.86	<b>72.32</b>	0.86	0.14	0.001	0.001	<b>49.98</b>
RCY012	64	68	34.16	<b>71.43</b>	1.24	0.55	0.005	0.004	<b>30.73</b>
RCY016	44	48	38.57	<b>71.58</b>	1.38	0.14	0.003	0.002	<b>49.78</b>
RCY017	60	64	34.16	<b>71.35</b>	1.47	0.23	0.007	0.001	<b>40.52</b>
RCY017	80	84	32.77	<b>69.56</b>	2.94	0.55	0.005	0.004	<b>39.04</b>
RDY002	192	194	37.81	<b>70.81</b>	2.14	0.12	0.003	0.001	<b>44.9</b>
RDY002	215	217	31.8	<b>70.69</b>	2.02	0.26	0.004	0.001	<b>40.52</b>
<b>Average</b>			<b>34.5</b>	<b>71.14</b>	<b>1.73</b>	<b>0.29</b>	<b>0.004</b>	<b>0.002</b>	<b>41.13</b>

Sighter Davis Tube testwork completed at Spectrolab Geraldton on selected pulverised material from RC chips and drill core. Sizing indicates P80 ranging from 42 to 82 microns.

Further grind optimisation testwork just received indicates that the mineralisation has very favourable liberation characteristics, and is amenable to much coarser grinding than is usual for Western Australian magnetite deposits. The work has established the optimum grind size for magnetite liberation is likely to be coarser than 80% passing 75 microns, and even at 80% passing 150 microns a concentrate grading 69.3% Fe and 3.37% SiO<sub>2</sub> was returned.

**Table 3: Grind optimisation test results**

sample	weight recovery %	Fe%	SiO <sub>2</sub> %
P80 32 microns	45.4	71.4	0.49
P80 38 microns	45.5	71.4	0.56
P80 45 microns	44.5	71.8	0.58
P80 75 microns	44.3	71.6	0.71
P80 150 microns	46.2	69.3	3.37
P80 250 microns	52.2	62.9	11.4

Note; Grind optimisation testwork completed at AMMTEC, Perth on samples from hole RDY002, 201 to 215 metres, head assay 36.9% Fe, 44.2%SiO<sub>2</sub>. P80 38 microns = 80% passing size

DTR analysis of all other mineralised drill composites is proceeding at a standard coarse grind developed using the information from the grind testwork.

R M Joyce  
DIRECTOR

21 April 2009

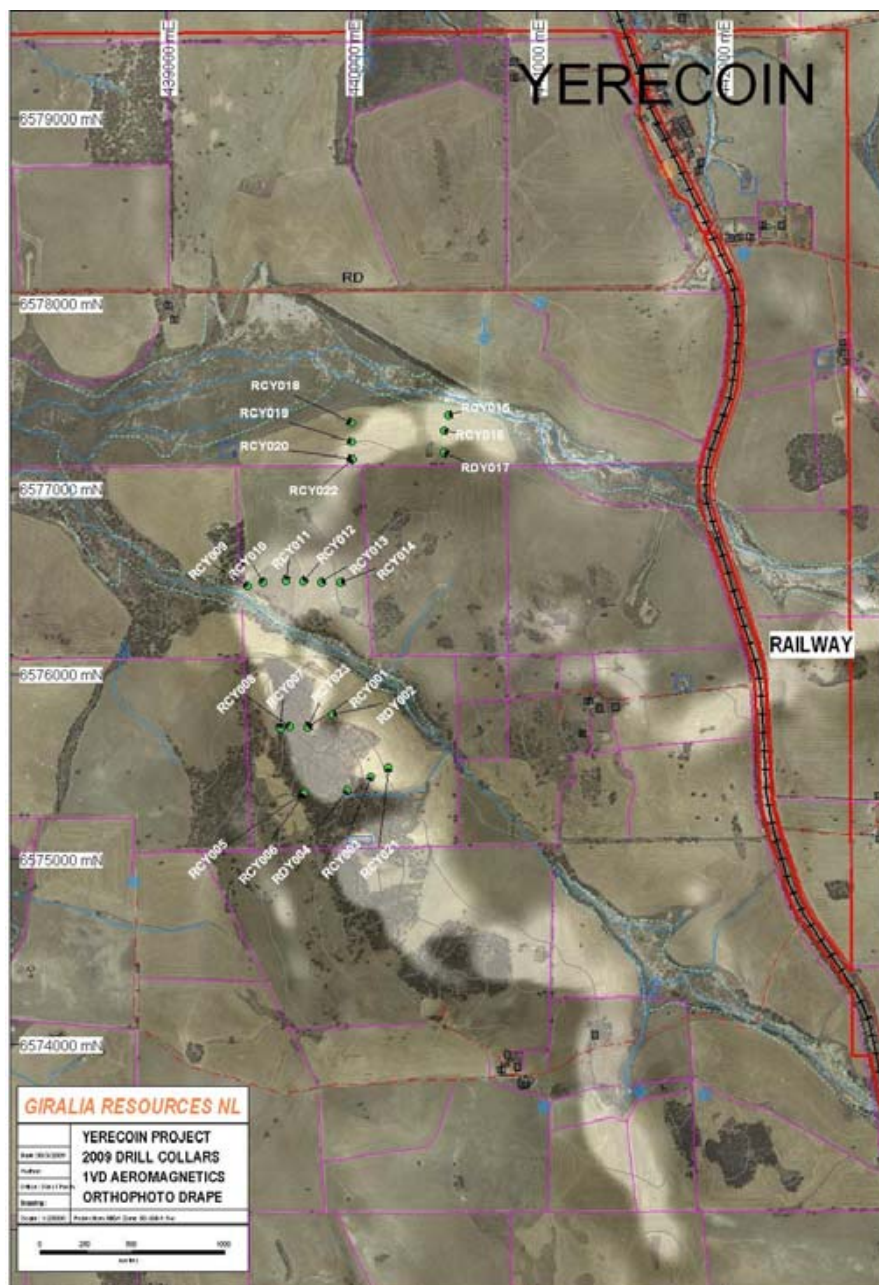
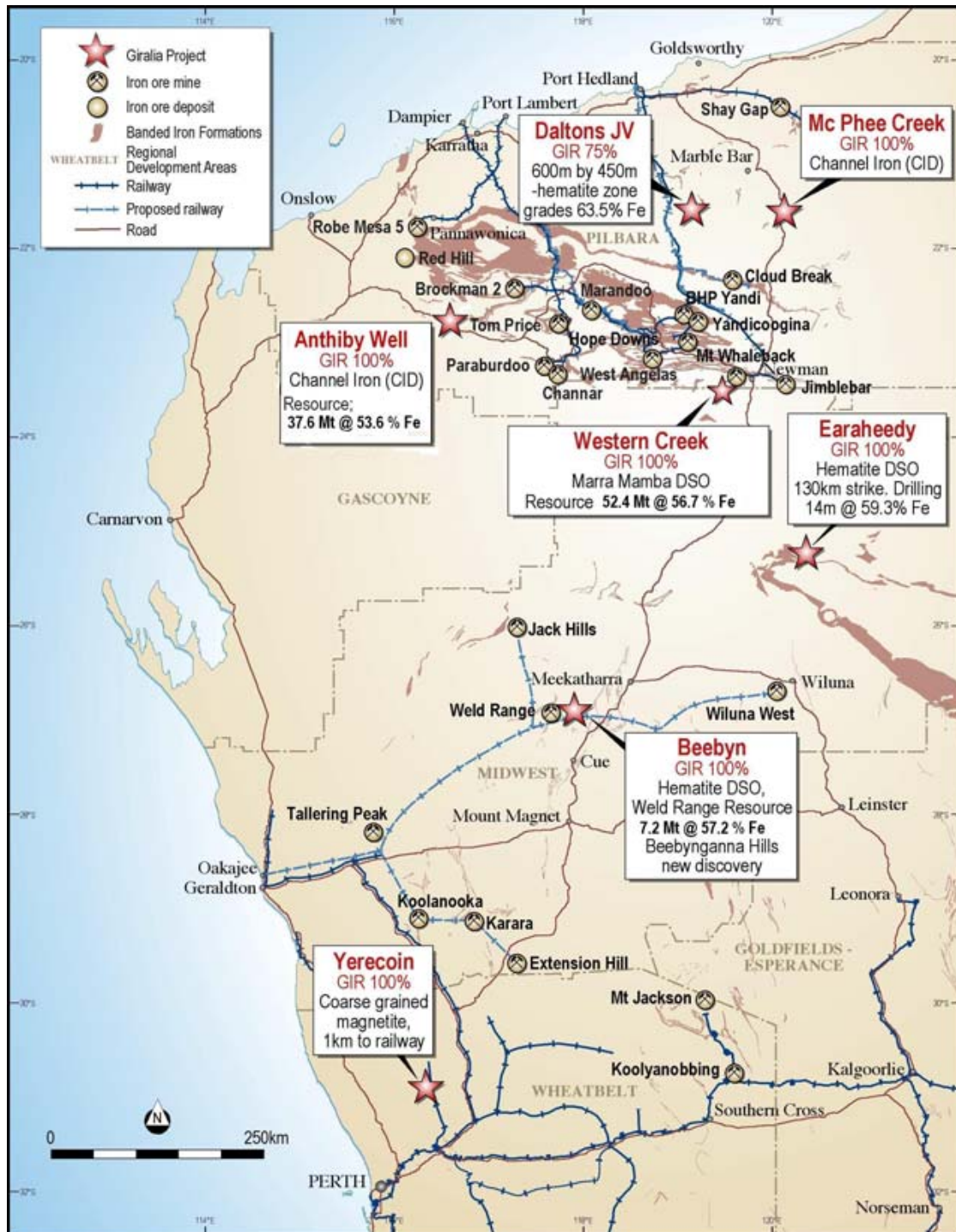


fig 1; Yerecoin 2009 drill hole locations on aeromagnetic image and orthophoto base.



**fig 2; Location Plan showing Giralia's Western Australia iron ore projects**

*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 (~\$70 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 **52.4 million tonnes @ 56.7% Fe**. Deposit is near surface, with several zones open ended.

**Earaheedy (100%) – Hematite** (200 km S of Newman) – 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. Drilling; 20 metres @ 55.7% Fe, 8 metres @ 58.7% Fe, and 12 metres @ 57.3%Fe from 8 hills tested to date.

**Anthiby Well (100%\*) -CID** (Pilbara) – Channel iron deposit (CID) mesas, drill intersections include 32 metres @ 55.1%Fe including 24 metres @ 56.0%, 22 metres @ 56.3%Fe, and 18 metres @ 56.2%Fe. Initial Inferred Mineral Resource **63.5 million tonnes @ 50.5% Fe, including 37.6 million tonnes @ 53.6% Fe (59.1%CaFe)**. \* subject to production royalty

**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, grades average 63.3% Fe only 40km from FMG, BHP rail lines.

**Yerecoin – Magnetite** (150 km from Perth) – 1 km to railway. Initial drilling March 2009; **72 metres @ 32.4%Fe, 52.4 metres @ 31.6 %Fe**. Coarse magnetite; excellent 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 Western Australia.

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 3 years. Giralia shareholders have benefited through priority IPO entitlements and in specie distributions, and ongoing exposure to upside from exploration success.

Company	ASX code	key commodity	Giralia stake
PacMag Metals Limited	PMH	copper	~10.4%
U3O8 Limited	UTO	uranium	~16.3%
Zinc Co Australia Limited	ZNC	zinc	~12%
Carpentaria Exploration Limited	CAP	NSW, Qld copper-gold	~10.4%
Hazelwood Resources Ltd	HAZ	nickel, tungsten	~5.1%
Peninsula Minerals Limited	PEN	uranium	~ 2%