

QUARTERLY REPORT FOR THE THREE MONTHS ENDING 30 SEPTEMBER 2009

Giralia Resources NL
ABN 64 009 218 204

ASX code: GIR

Activities:

Iron Ore exploration and
development

Details (30 Sept'09):

Issued shares: 178.1m
Unlisted options: 4.9m
Mkt Cap (\$1.06): A\$188m
Cash Sept 09: A\$67m
Investments: A\$8m
Debt: Nil

Listed Investments:

PacMag Metals Limited-copper
(ASX:PMH) Giralia ~10.4% stake

U308 Limited -uranium
(ASX:UTO) Giralia ~15% stake

Zinc Co Australia Limited - zinc
(ASX:ZNC) Giralia ~12% stake

Carpentaria Expl. Ltd -NSW,Qld
(ASX:CAP) Giralia ~10.4% stake

Hazelwood Resources Ltd -nickel
(ASX:HAZ) Giralia ~ 3.3% stake

Directors:

Chairman - Graham Riley
Exec Director - Stan Macdonald
Managing Director -Mike Joyce

Senior Management:

Company Sec. - Bruce Acutt
Expl. Mgr - Julian Goldsworthy

Major shareholders :

AMCI	9.82%
Citicorp Nom.	5.74%
Breamlea P/L	5.59%
HSBC Cust. Nom.	4.48%
Macdonald SA	3.46%
National Nom.	3.07%
Yandal Inv.	2.92%

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EXPLORATION: Two significant new hematite discoveries close to Port Hedland (Mt Webber and McPhee Creek) resulted from ongoing intensive resource drilling during the quarter. Across Giralia's 7 iron ore projects in Western Australia, initial JORC resources have now been released for 5 deposits, resulting in a global iron ore resource inventory of over 132 million tonnes. Scoping level mining studies are being conducted on 2 projects (Mt Webber and Yerecoin) where infrastructure solutions are readily apparent.

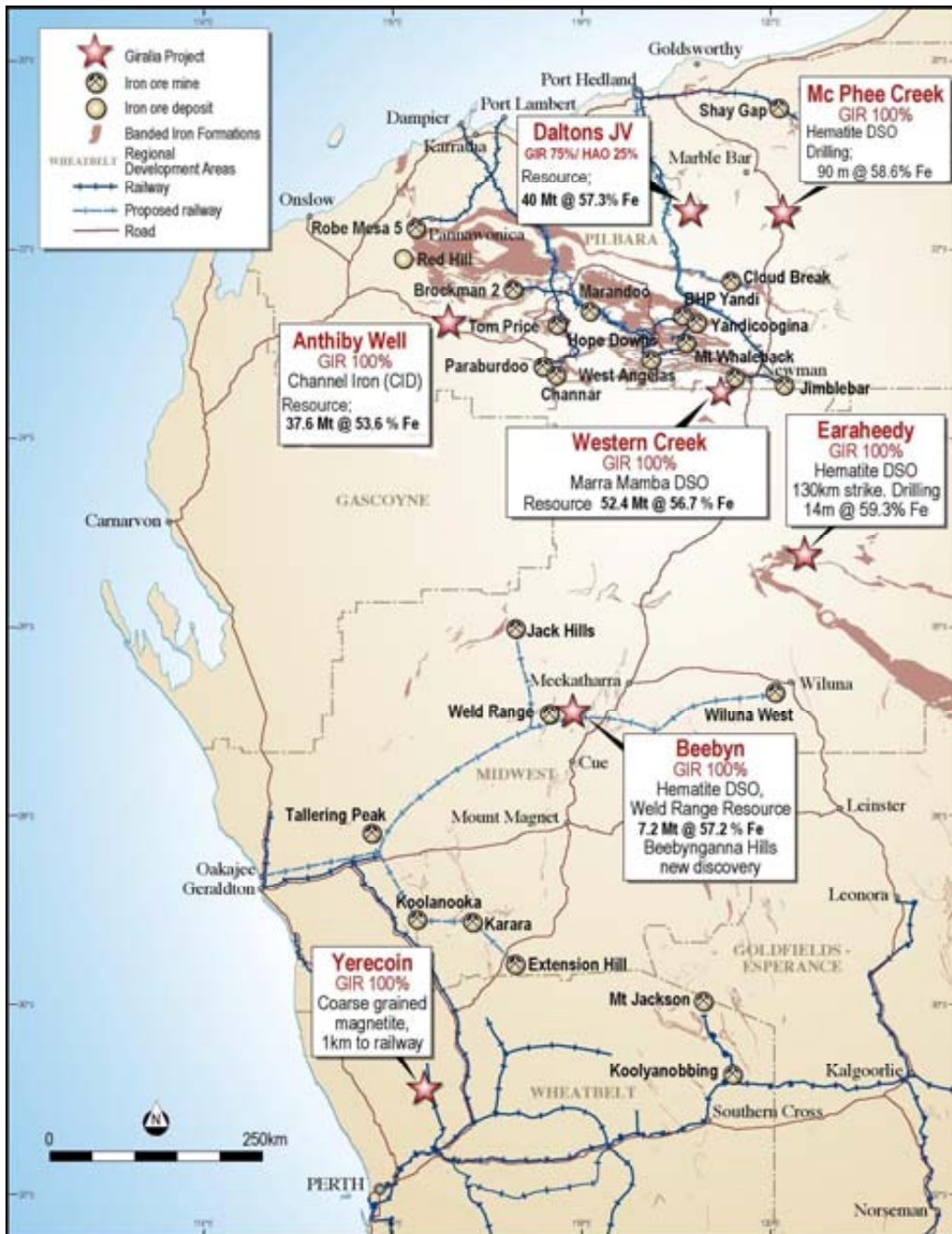
- **Daltons Iron Ore Project (75%):** An initial iron ore resource was announced late in the quarter for the Mt Webber deposit (Daltons JV). The near-surface, low alumina discovery is within road haulage distance of Port Hedland. A Scoping Study is in progress to evaluate development options, with a Base Case of truck/ship via Port Hedland.
 - Overall Resource; 40.0 Mt @ 57.3%Fe, 1.42% Al₂O₃
 - Includes higher grade zone; 24.6 Mt @ 59.0%Fe, 1.33% Al₂O₃
- **McPhee Creek Iron ore Project (100%):** Outstanding new drilling results received after the end of the quarter confirm a significant new hematite iron ore discovery at McPhee Creek, located 220 km SE of Port Hedland; **90 metres @ 58.6% Fe, 1.7% Al₂O₃** from surface, **58 metres @ 59.0% Fe, 1.5% Al₂O₃, 62 metres @ 57.3% Fe, 2.4% Al₂O₃** from surface, **42 metres @ 60.1% Fe, 2.2% Al₂O₃**. Resource definition drill-out is planned to commence in November.
- **Yerecoin Iron Ore Project (100%):** A Scoping Study is nearing completion reviewing development options for the Yerecoin magnetite project, 150 km north of Perth, and within 1 km of existing rail access. The initial Exploration Target of **200 million to 250 million tonnes** of magnetite mineralisation has exceptional results from Davis Tube testwork results (concentrate grades >71%Fe, < 1%SiO₂ and coarse grind size for magnetite liberation).
- **Beebyn Iron Ore Project (100%):** Successful 77 hole drilling program completed at Beebyn iron ore project in WA's Midwest. Best intersections to date at Beebynganna Hills; **28 metres @ 59.1% Fe, and 28 metres @ 58.3%Fe, including 16 metres @ 61.1%Fe**, resource extensions confirmed at Weld Range; **18 metres @ 61.3%Fe**
- **Earaheedy Iron Ore Project (100%):** A 128 hole drilling program commenced after the end of quarter at the greenfields Earraheedy project, to follow up significant results from late 2008 drilling including; **20 metres @ 55.7% Fe, 12 metres @ 57.3% Fe** (from surface) etc. The program will include drilling of many of the remaining 15 untested hills of hematite outcrop.

CORPORATE

On 15 October, Helix Resources Ltd (**Helix**) and Giralia announced the jointly sponsored spin-off of their respective Gascoyne regional gold assets in WA into a separately funded company, Gascoyne Resources Ltd. Qualifying Giralia shareholders will be given a priority entitlement to 7.5 million Gascoyne Resources IPO shares. Giralia has agreed to underwrite the priority entitlement offer for \$3 million and Patersons Securities Limited has agreed to act as Lead manager for the \$3 million Public offer.

Helix and Giralia currently intend to distribute in-specie to their respective shareholders a major proportion of the shares acquired from vending their tenement assets to Gascoyne Resources.

At 30 September 2009, the Company had a total of approximately \$67 million in cash on deposit with interest accruing at maturity of fixed interest deposits with terms ranging from 1 to 12 months.



Location of Giralia's Western Australian iron ore projects

EXPLORATION

IRON ORE PROJECTS

Daltons Joint Venture (Giralia 75%, Haoma Mining NL 25%)

During the quarter the Company reported an initial Inferred Mineral Resource for a new discovery at the Mt Webber iron ore deposit, part of the Company's Daltons Joint Venture (Giralia 75% interest with Haoma Mining NL ("Haoma") 25% interest), located 150 kilometres south of Port Hedland and only 20 to 30 kilometres east of the BHP Billiton and FMG rail lines in the Pilbara region of Western Australia. Haoma retains rights to gold/silver and tin/tantalum mineralisation.

The low alumina mineralisation at Mt Webber **occurs as** a flat lying hematite-goethite enrichment cap up to 70 metres thick, with mineralisation starting from surface in many holes.

Daltons JV- Mt Webber Iron Ore Project - Mineral Resource Estimate								
as at 11 September 2009 (Fe Grade Cutoff >50 %)								
Deposit	Category	Tonnes (Mt)	Fe %	P %	SiO ₂ %	Al ₂ O ₃ %	LOI %	CaFe%
Main Southern Zone	Inferred	33.76	57.9	0.093	6.39	1.44	8.19	63.06
Lenses below Main Zone	Inferred	4.36	53.7	0.045	15.39	0.51	6.33	57.3
Northern Zone	Inferred	1.89	54.8	0.070	8.22	3.28	8.57	59.9
Total	Inferred	40.0	57.3	0.086	7.46	1.42	8.00	62.3

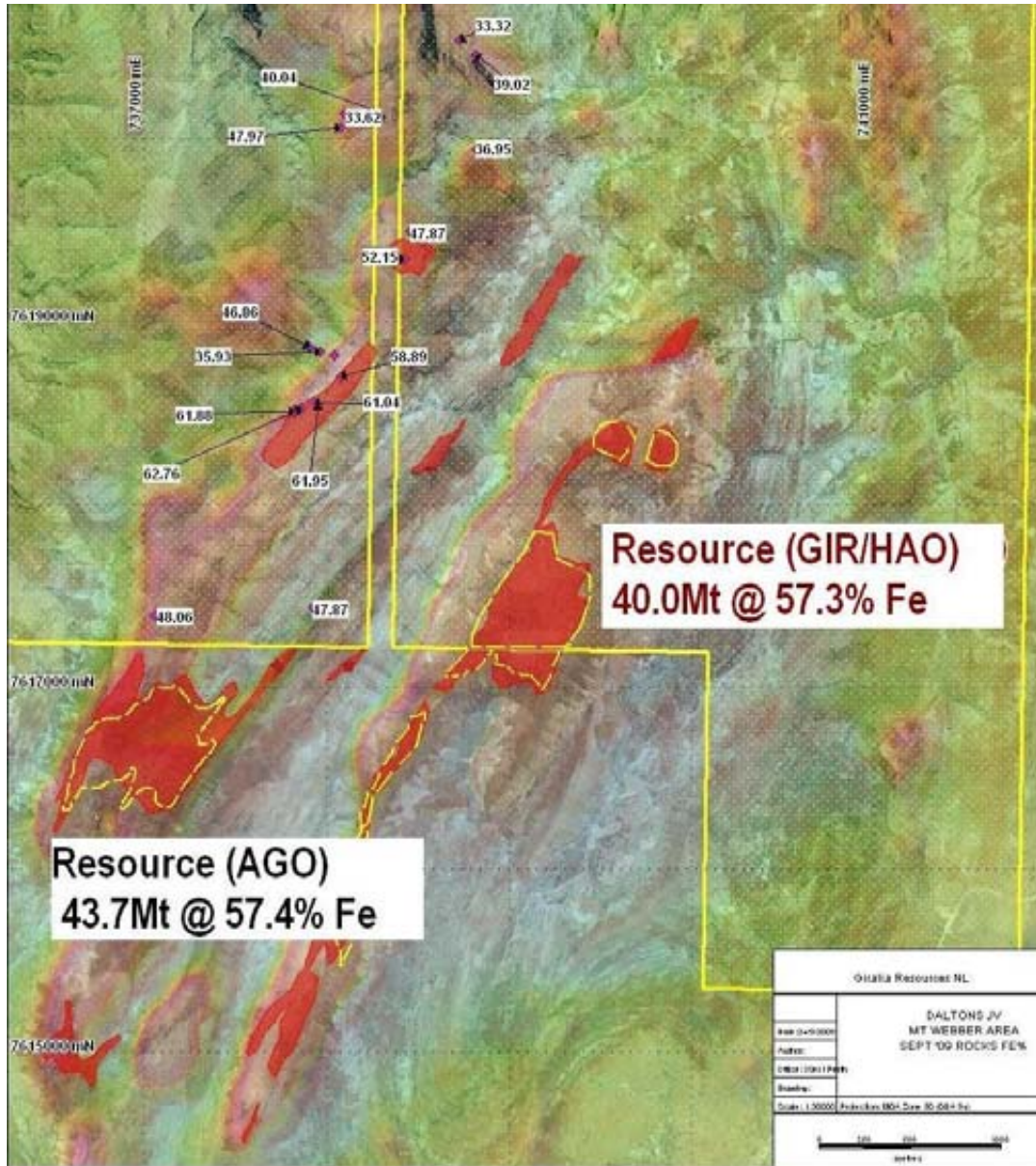
Calcined Iron grade (CaFe) is a measure of iron content upon removal of volatiles (i.e. LOI).

CSA Global Pty Ltd (CSA) were commissioned by Giralia to complete the initial resource estimate for the Mt Webber deposit. Delineation of this updated Mineral Resource is based on 40 reverse circulation ("RC") drill holes completed to date at Mt Webber by Giralia in May to August 2009, which returned intersections including; **70 metres from surface @ 58.4% Fe, including 54 metres @ 60.9% Fe, 1.5% Al₂O₃, 52 metres @ 60.5% Fe 1.3% Al₂O₃ from 4 metres depth, 60m @ 58.6% Fe from surface, including 44m @ 60.1% Fe, 1.7% Al₂O₃ and 68m @ 60.9% Fe, 0.7% Al₂O₃ from surface.** Additionally, earlier drilling of the smaller Northern Hill returned results including **16 metres @ 58.5% Fe, and 34 metres @ 55.1% Fe.**

The Daltons JV tenements at Mt Webber directly adjoin Atlas Iron Limited's ("Atlas") Mt Webber prospect. Atlas has recently reported an expanded resource estimate of 43.7 million tonnes @ 57.4% Fe on its tenement at Mt Webber.

The Daltons Joint venture has commissioned a Scoping level Mining Study of development options for Mt Webber, with a Base Case of truck and ship via Port Hedland. Opportunities for rail haulage agreements will also be pursued.

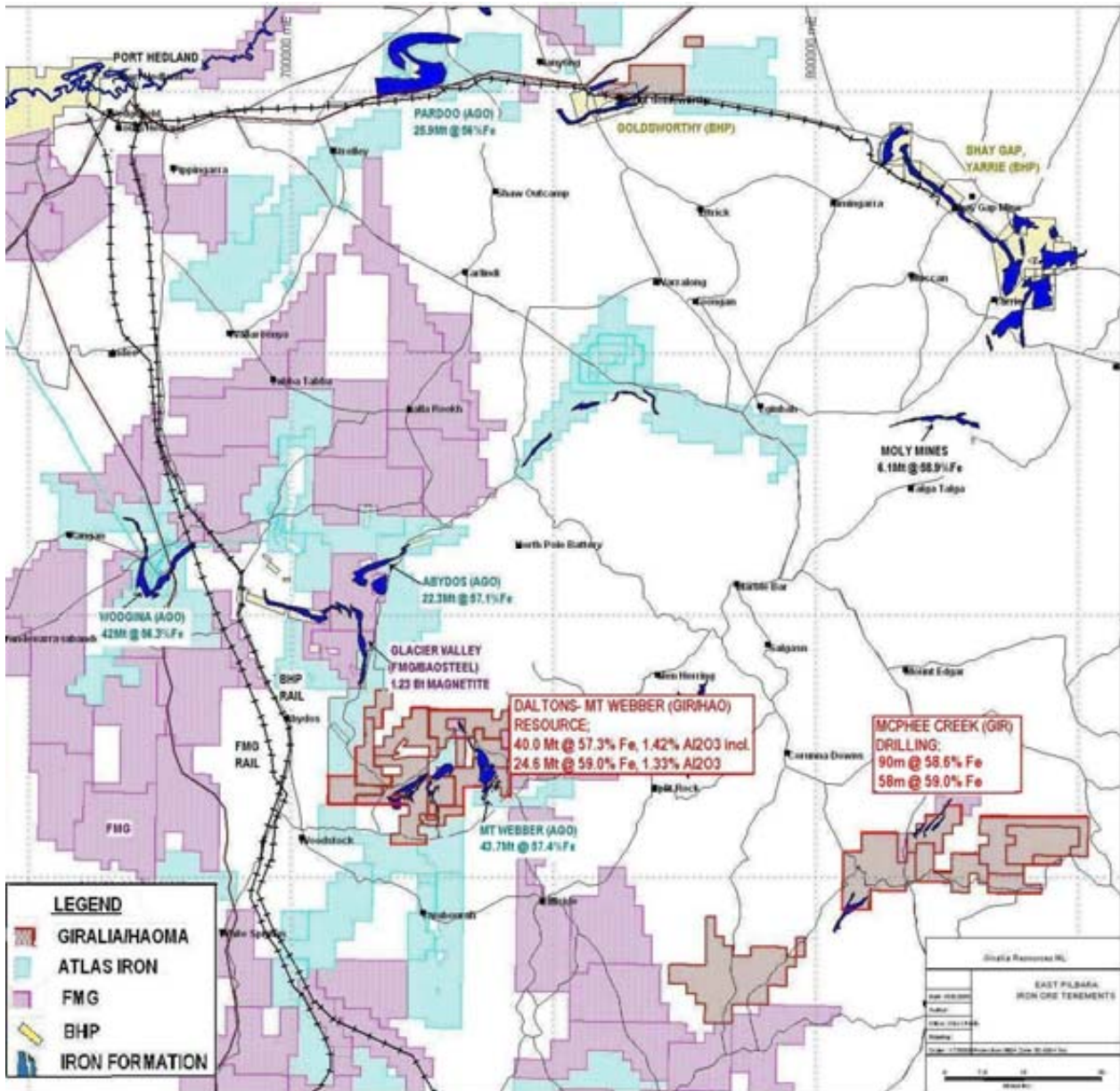
Helicopter supported rock sampling and mapping was carried out in areas of hematite potential selected from interpretation of air photography and aeromagnetics within the 30 kilometres of strike of known iron formation outcrop at the Daltons JV tenements. The work identified seven new hematite zones with rock chip results in the range 57% to 62% Fe, providing clear targets for resource growth.



Mt Webber resource outlines shown on air photo with aeromagnetic image underneath. Assay results for September quarter rock chips also shown (Fe %)

The most significant zone was mapped around 1 kilometre north of the Atlas Iron resource on the western range at Mt Webber, while 10 kilometres to the west in the Soansville area in the central part of the Daltons JV tenement block, zones of hematite enrichment were identified along several parallel iron formation ranges, occasionally capped by remnants of pisolitic material.

Follow up ground based detailed mapping and systematic sampling will be carried out to establish the extents of the new zones and prior to planning and design of drilling programs and access tracks.



Iron ore projects in the Port Hedland area. Giralia's tenements (Daltons JV and McPhee Creek) in red.

McPhee Creek Iron Ore Project - (Giralia 100%)

On 16 October the Company announced confirmation of a significant hematite iron ore discovery at the Company's 100% owned McPhee Creek iron ore prospect, located 220 kilometres south-east of Port Hedland in the Pilbara region of Western Australia, and around 50 kilometres north of BC Iron Limited/FMG's Nullagine-Bonnie Creek channel iron deposits ("CID").

A preliminary 47 hole (3027 metres) first pass RC drilling program of widely spaced holes on traverses up to 600 metres apart was completed in mid September to test a major zone of unexplored iron ore potential along an 8 kilometre long range at McPhee Creek. The main range comprises partially CID capped bedded Archaean aged BIF with strong hematite iron ore mineralisation evident over substantial strike lengths.

Significant iron ore intersections were returned, from the initial program, particularly from the southern most lines drilled including; **90 metres @ 58.6% Fe** from surface to end of hole, **62 metres @ 57.3% Fe** from surface, **42 metres @ 60.1% Fe** from 20 metres depth, **46 metres @ 60.2% Fe**, and **34 metres @ 58.9% Fe** including **28 metres @ 60.4% Fe**. Assays for the first 12 holes of this program were reported on 30 September 2009, and further results were released on 13 October.

Table 1: Mc Phee Creek main range, RC drilling September 2009: Intersections >10m @>55%

Hole No	Coordinates		Dip/Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	CaFe %	P %	SiO2 %	Al2O3 %	LOI %
	East	North											
RCMC048	203586	7613554	-60/305	60	44	60	16 (EOH)	57.2	63.6	0.06	5.4	2.0	10.05
RCMC051	203271	7613339	-60/300	78	4	62	58	55.6	60.3	0.06	8.6	3.1	7.93
				incl.	22	58	36	58.1	62.6	0.05	6.6	2.1	7.12
RCMC057	203229	7612607	-60/135	66	4	36	32	54.3	59.4	0.05	12.0	2.2	8.55
				incl.	6	26	20	56.0	61.3	0.05	9.5	2.1	8.75
RCMC058	203190	7612656	-60/140	60	6	50	44	55.4	59.5	0.05	13.3	1.0	6.92
				incl.	8	26	18	59.9	65.0	0.06	5.8	1.1	7.83
RCMC060	202500	7612384	-60/300	60	26	48	22	57.9	64.8	0.13	4.3	1.9	10.76
RCMC061	202535	7612368	-60/300	72	26	72	46 (EOH)	60.2	65.2	0.07	3.8	2.0	7.66
RCMC062	202460	7612325	-60/330	54	20	54	34 (EOH)	58.9	63.7	0.10	5.0	2.9	7.57
				incl.	26	54	28 (EOH)	60.4	65.1	0.11	3.9	2.3	7.24
RCMC064	202148	7611904	-60/305	78	12	70	58	59.0	65.7	0.06	3.2	1.5	10.20
RCMC065	202181	7611882	-60/300	74	24	74	50	57.0	63.7	0.06	4.3	3.3	10.67
				incl.	40	74	34	58.9	65.6	0.05	3.1	2.1	10.35
RCMC066	202088	7611834	-60/300	66	18	38	20	56.7	60.7	0.07	9.2	2.8	6.74
				incl.	22	36	14	58.9	63.1	0.07	6.1	2.6	6.64
RCMC067	202124	7611816	-60/300	72	20	44	24	57.2	62.0	0.10	7.4	3.0	7.65
				incl.	20	42	22	57.6	62.4	0.10	6.5	3.1	7.82
RCMC082	201028	7610661	-60/300	60	2	42	40	54.3	59.6	0.07	9.6	4.3	8.91
				incl.	4	16	12	57.2	63.2	0.07	5.6	3.6	9.50
				and	28	42	14	56.8	62.4	0.07	7.6	2.7	8.86
RCMC083	201085	7610625	-60/295	54	12	44	32	55.2	61.1	0.10	7.8	3.6	9.60
				incl.	20	42	22	57.4	63.5	0.12	5.0	3.2	9.64
RCMC084	200681	7609971	-60/305	72	20	64	44	59.9	64.9	0.09	4.5	2.2	7.75
				incl.	20	62	42	60.1	65.2	0.09	4.1	2.2	7.87
RCMC085	200669	7610099	-60/310	72	0	62	62	57.3	63.1	0.16	6.6	2.4	9.22
				incl.	8	60	52	58.2	64.0	0.17	5.8	2.2	9.05
RCMC086	200705	7610075	-60/305	90	0	90	90	58.6	65.1	0.13	3.9	1.7	10.00
RCMC087	200575	7610048	-60/310	48	0	38	38	57.7	65.1	0.26	3.1	2.3	11.31
RCMC088	200601	7610029	-60/300	60	22	56	34	55.9	62.4	0.10	6.3	2.6	10.31
				incl.	30	56	26	57.2	64.1	0.11	4.6	2.4	10.74

RC drill samples collected as 2m riffle split composites. Intersections quoted using lower cut-offs of 50% Fe. All coordinates in MGA Zone 51 GDA 94, by hand held GPS ($\pm 5m$). XRF analyses by Spectolab Laboratory Geraldton. QA/QC included typically field duplicate samples and two standards (Certified Reference Material), comprising one coarse standard and one pulverised standard for each drill hole. CaFe is a measure of iron content upon removal of volatiles (i.e. LOI). *Holes marked previously reported 30 Sept 09. # Holes marked previously reported 13 Oct '09.

An earlier 43 hole drill program in mid 2008 at McPhee Creek tested a channel iron deposit mesa just to the east of the main range (Crescent Moon CID mesa) defining an initial JORC resource of **5.17 million tonnes @ 53.6 % Fe (60.4% CaFe)**. The new drilling results from the main range are considered likely to result in a substantial increase in project resources.

Follow-up resource definition drilling is scheduled for November, and will focus on infill drilling the southern area of the main ridge to enable a preliminary resource estimate of a portion of the 8 kilometres strike.



McPhee Creek Project, satellite image with drill holes (yellow dots)

Yerecoin Iron Ore Project – (Giralia 100%)

The Company reported an initial Exploration Target* at its 100% owned Yerecoin project of 200 to 250 million tonnes of magnetite mineralisation grading 30% to 35% Fe, based on observed dips and thicknesses of mineralisation from RC and diamond drilling data, and integration of surface mapping and rock sampling and interpretation of aeromagnetic data.

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. An initial drilling program completed in March 2009 intersected moderately dipping magnetite mineralisation, with better intersections of **72 metres @ 32.4% Fe incl. 56 metres @ 35.7% Fe**, and **50 metres @ 30.3% Fe**.

Davis Tube Recovery (“DTR”) and grind optimisation tests indicate that mineralisation at Yerecoin has exceptionally favourable magnetic separation liberation characteristics, likely to enable a premium product with DTR concentrate grades in excess of 71% Fe, with very low silica (<1% SiO₂), at a grind size much coarser than other Western Australian magnetite projects, many of which require grinding to less than 38 microns, and often require further processing (flotation) to reduce excess silica to acceptable levels.

Exploration work to date has defined in excess of 30 kilometres of strike of outcropping and magnetically interpreted banded iron formation (BIF) at the Yerecoin project.

The Company has commissioned experienced magnetite specialists ProMet Engineers to complete a Scoping Study to review development options and assist in forward planning, with a focus on options for product specifications, production levels, capital and operating costs and port/rail planning solutions. Delivery of the Scoping Study is scheduled for November 2009.

Low level detailed aeromagnetic surveys were flown during the quarter over newly acquired tenements at Yerecoin and Northam.

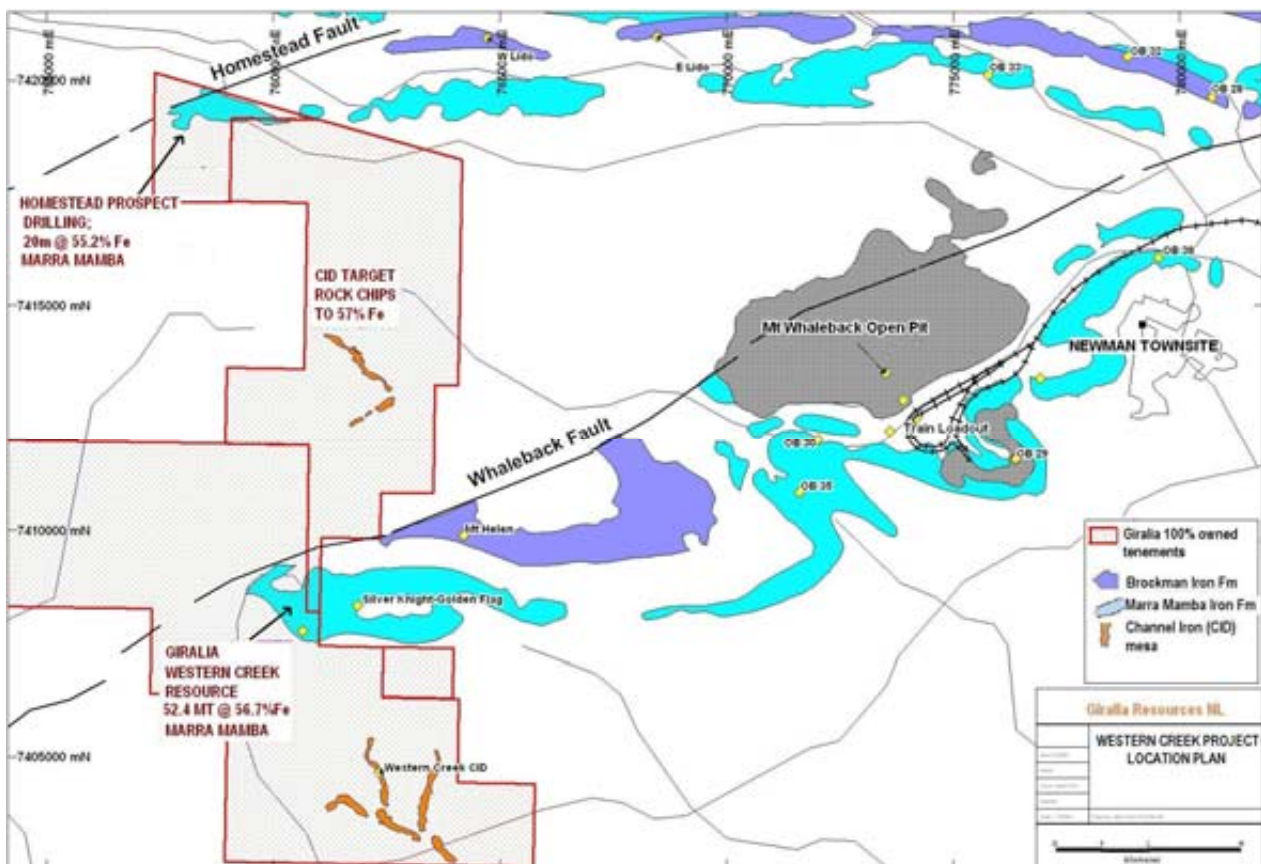
Western Creek Iron Ore Project – (Giralia 100%)

Giralia's 100% owned Western Creek tenements adjoin the BHPBilliton Mt Newman iron-ore mining leases in the Western Ridge area, around 15 kilometres west of Newman in the Pilbara region of Western Australia.

The current Inferred Mineral Resource of **52.4 million tonnes @ 56.7% Fe** (estimated at a lower cut-off grade of 50%Fe) includes higher grade zones of **32.6 million tonnes @ 58.3% Fe** (at a 56%Fe lower cut-off grade), or **16.5 million tonnes @ 59.6% Fe** (at a 58%Fe lower cut-off grade).

The Mineral Resource comprises thick zones of flat lying or shallow dipping iron ore mineralisation, and occurs to a maximum depth of only around 50 metres from the natural land surface, likely to result in very low waste to ore ratios. Average thickness of the shallow dipping sheet of mineralisation in the higher grade South Marra Mamba zone is approximately 30 metres, with better intersections of near surface iron ore including; **50m @ 60.4% Fe, 50m @ 58.2% Fe and 42m @ 59.1% Fe**.

A detailed aeromagnetic survey flown during the previous quarter over the Western Creek and Homestead prospects was interpreted, and mapping and rock chip sampling (14 samples) was completed at the "Homestead" prospect around 10 kilometres north of the Western Creek Mineral Resource and on Channel Iron Deposit ("CID") targets. Rock chip assays to 60.78 % Fe were returned from the CID mesa, and to 65.28%Fe from the central hill of Marra Mamba Formation at Homestead, which remains untested by drilling. Giralia's 22 hole December 2008 drilling program tested to the east and west of the central hill, and intersected **20 metres @ 55.2% Fe, 14 metres @ 55.5% Fe and 8 metres (EOH) @ 56.1% Fe** in the Marra Mamba Formation. A program of drilling to test both the central Marra Mamba hill and the CID target is now fully permitted.



Location of Giralia's Western Creek Project (red) near BHPBilliton's Newman operations.

Beebyn Iron Ore Project - (Giralia 100%)

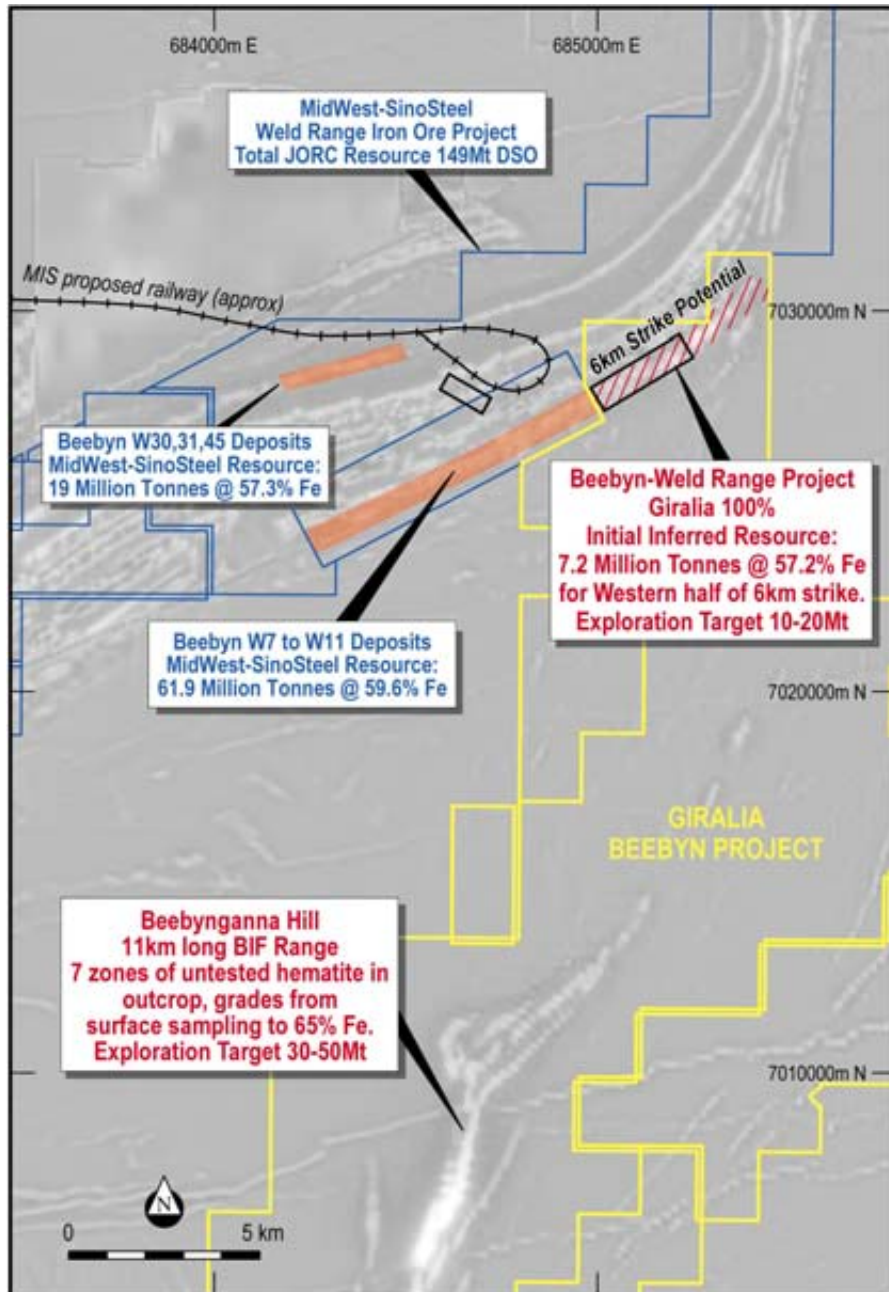
Giralia's 100% owned Beebyn project is located in the emerging MidWest iron ore province of Western Australia. Third party access rail infrastructure is proposed right to Giralia's project, which directly adjoins the Sinosteel Midwest Corporation Weld Range deposits. Two target areas for hematite direct shipping ore ("DSO") have been identified at Beebyn; a 6 kilometre long segment of the north-eastern Weld Range, with an initial JORC Inferred Resource estimate of **7.2 million tonnes @ 57.2 % Fe** based on shallow drilling to date of around 50% of the strike, and the "Beebynganna Hills" prospect, an 11 kilometre long iron formation range located just south of the Weld Range, where 7 previously untested outcropping zones of hematite have been discovered by Giralia geologists.

A 77 hole/ 6724 metre RC drilling program was completed in August at Beebynganna Hills and the Weld Range. The program returned the best intersections to date at Beebynganna Hills; **28 metres @ 59.1% Fe, and 28 metres @ 58.3%Fe, including 16 metres @ 61.1%Fe**, and confirmed resource extensions on the Weld Range; **18 metres @ 61.3%Fe**. Wide zones of magnetite rich material were also noted, and initial DTR testwork is planned to establish beneficiation characteristics.

Table 2: Beebyn Project RC drilling August 2009- Selected intersections >4m @ >50% Fe

Hole No	Coordinates		Dip/Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe (%)	P (%)	SiO2 (%)	Al2O3 (%)	LOI %
	East MGA94	North 50										
RCBH049	581458	7008254	-60/108	114	56	62	6	56.2	0.08	9.5	4.9	3.0
RCBH071	581042	7006436	-50/285	102	60	66	6	57.2	0.08	10.9	3.8	3.8
RCBH081	581041	7006631	-50/260	66	0	14	14	55.3	0.06	13.3	3.6	3.5
				and	26	32	6	53.1	0.09	15.9	4.0	3.8
RCBH088	580276	7004879	-60/285	132	58	72	14	54.4	0.09	9.4	7.0	5.2
RCBH099	580412	7005465	-60/275	102	94	100	6	58.6	0.03	10.6	3.0	2.4
RCBH102	580450	7005556	-60/280	126	80	108	28	59.1	0.02	7.5	5.0	3.0
RCBH103	580411	7005557	-90/-	96	12	18	6	50.5	0.05	24.5	1.4	2.0
				and	28	52	24	58.3	0.03	10.9	3.5	2.4
				incl.	36	52	16	61.1	0.03	6.6	3.9	2.3
				and	58	66	8	54.6	0.03	16.9	3.0	2.1
				and	70	72	2	57.5	0.02	8.9	5.3	3.1
RCB080	584909	7028151	-55/326	101	20	32	12	51.6	0.06	12.0	7.3	6.8
RCB081	584884	7028200	-50/338	83	8	22	14	56.3	0.04	8.7	4.0	6.4
				incl.	14	20	6	59.1	0.09	5.0	3.8	5.9
				and	58	76	18	55.5	0.12	8.2	4.5	7.5
RCB083	584972	7028248	-50/334	78	6	20	14	51.5	0.06	19.5	2.4	4.7
RCB087	585816	7028746	-50/330	71	42	46	4	58.1	0.11	7.8	2.4	5.6
RCB089	585918	7028780	-50/330	83	60	78	18	61.3	0.09	5.0	1.8	4.6
RCB093	586845	7029186	-50/150	84	50	54	4	61.1	0.09	6.1	1.5	4.6

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.



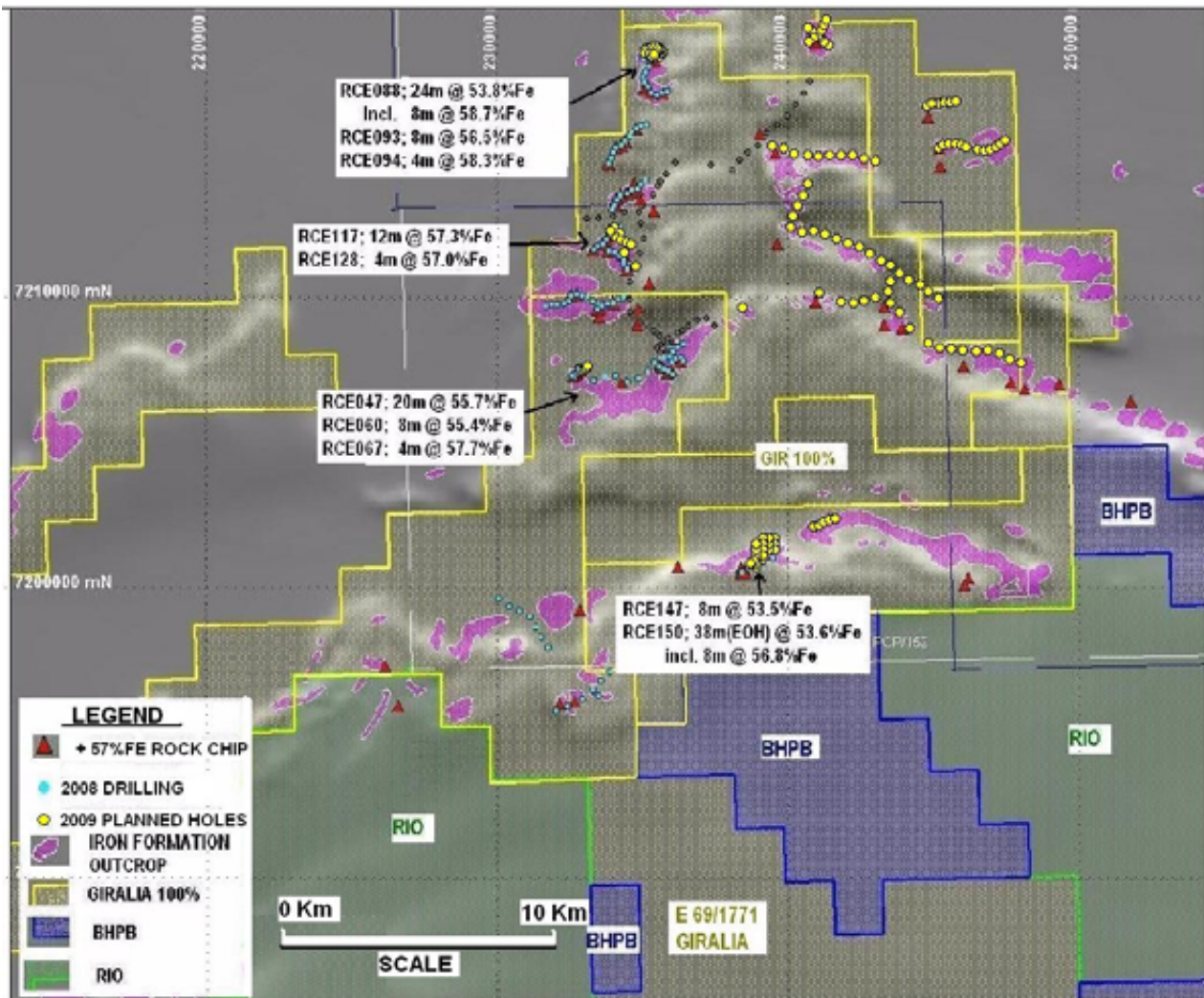
Beebyn Project locations on grey scale aeromagnetic image

Earaheedy Iron Ore Project (Giralia 100%)

Giralia's 100% owned tenements cover 570 square kilometres, including 130 strike kilometres of the most iron-ore prospective areas of the Miss Fairbairn Hills in the northern Earaheedy Basin, 100 km north of Wiluna, and 200 km south of Newman in Western Australia.

RC drilling in late 2008 tested 8 of the 23 hills of known +57% Fe outcrop with single traverses of mostly 200 metres spaced vertical holes along new tracks constructed to access the crests of the low hills. Deep penetrative hematite enrichment of the iron formations in the Miss Fairbairn Hills was confirmed, and significant intersections of hematite were recorded at shallow depths from 4 of the 8 hills, with Better intersections including **20 metres @ 55.7% Fe**, within an overall zone of 40 metres @ 51.6% Fe, 24 metres @ 53.8% Fe from surface including **8 metres @ 58.7% Fe**, **12 metres @ 57.3% Fe** from surface and **38 metres to end of hole @ 53.6% Fe, including 8 metres @ 56.8% Fe**.

A 128 hole drilling program commenced in early October at Earaheedy, to test extensions to mineralised intercepts along with first pass tests of additional hills of hematite outcrop, particularly in the lightly explored east and south of Giralia's tenements.



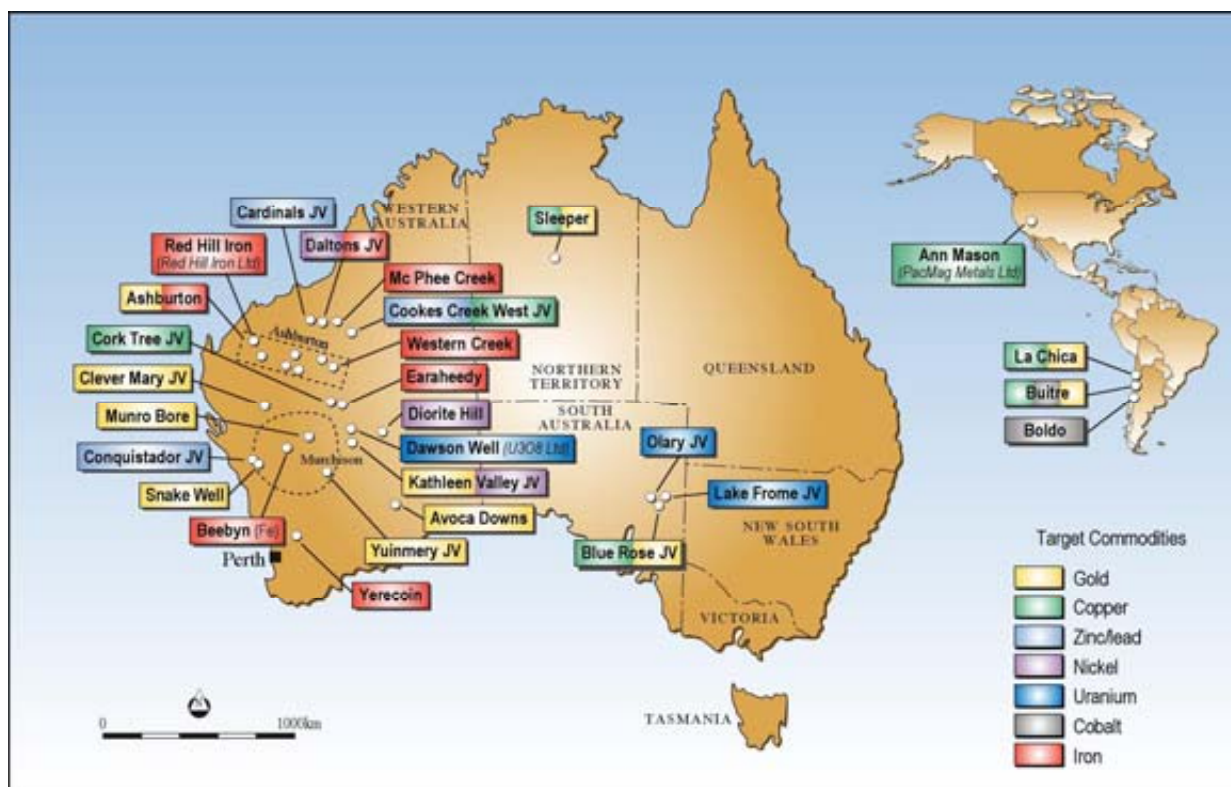
Earaheedy Project, grey scale aeromagnetics with Giralia tenure (yellow) showing iron formation outcrops (pink). 2008 drilling (blue dots).and proposed October-November 2009 drilling (yellow dots).

Anthiby Well (Giralia 100%, subject to production royalty)

Giralia's Anthiby Well iron ore project is a new discovery of channel iron (CID) mineralisation located around 100 kilometres west of Paraburdoo in the Pilbara Region of Western Australia. The mineralisation commences at or very near the natural land surface, to a maximum depth of approximately 40 metres and comprises mesas of pisolitic iron ore mineralisation. Better drilling intersections include; **32 metres @ 55.1% Fe including 24 metres @ 56.0% Fe, 22 metres @ 56.3% Fe, and 18 metres @ 56.2% Fe** from an RC drilling program completed in mid December 2008. Giralia reported an initial JORC Inferred Mineral Resource of **37.6 million tonnes @ 53.6%Fe (59.1% CaFe)** in the March 2009 quarter.

The Company plans further drilling to test for resource extensions particularly around and to the west of the Western Mesas, and to conduct beneficiation testwork to establish whether the lower grade CID and SCID mineralisation is amenable to low cost upgrading using screening.

OTHER PROJECTS



Location Plan – Giralia Projects

Lake Frome Joint Venture (Giralia 25% free carried, Heathgate Resources Pty Ltd 75%)

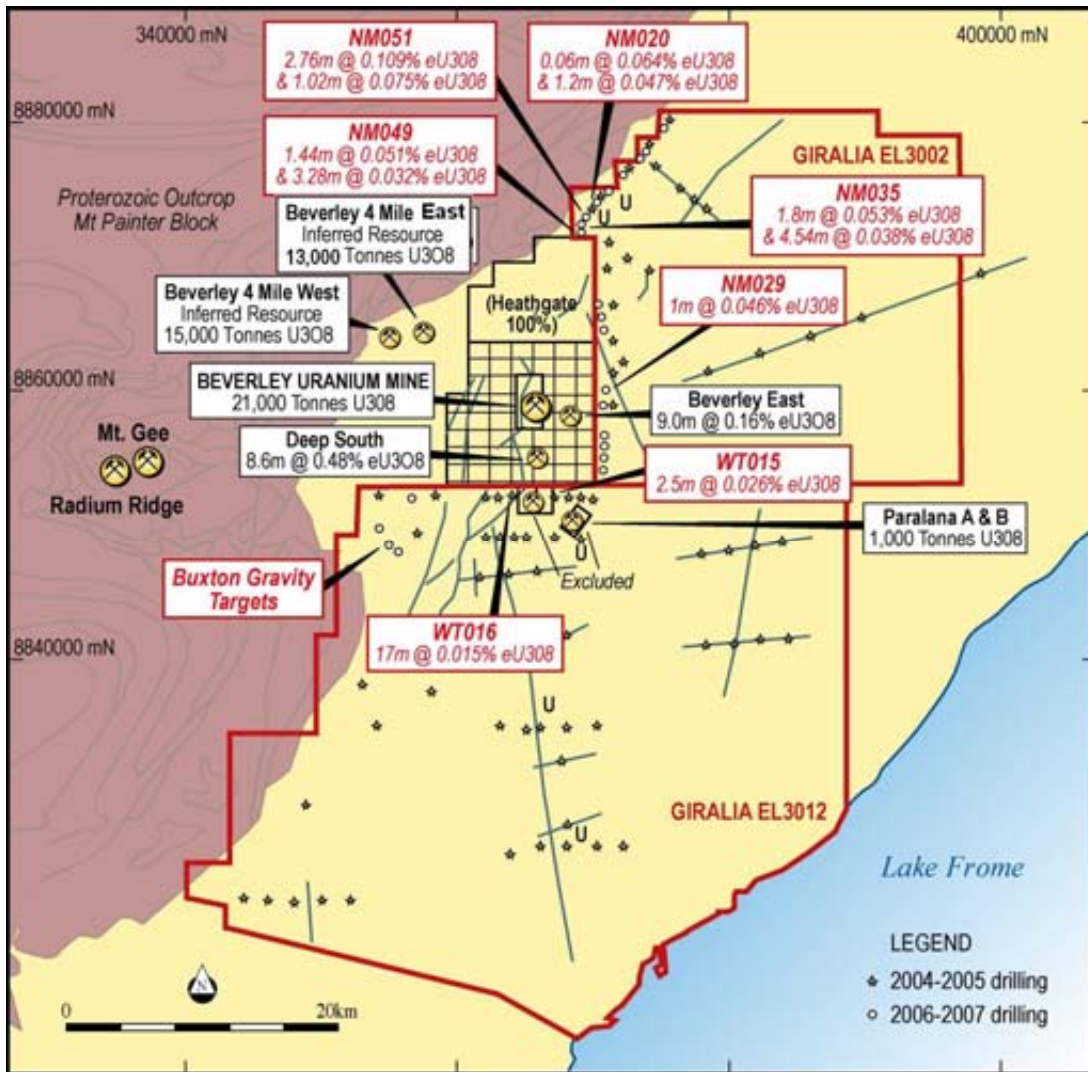
The Company's key Lake Frome Joint Venture is located adjacent to the operating Beverley in-situ leach uranium mine in South Australia. The mine owner, Heathgate Resources Pty Ltd ("Heathgate"), an affiliate of the US utility General Atomic, is the holder of one of the few export licences for uranium in Australia and manages a joint venture over Giralia's tenements, under which Heathgate can confirm a 75% interest by meeting all expenditure up to a decision to mine, with Giralia free carried at 25%.

On the North Mulga tenement, several previous drill holes have reported significant intersections at the Yadglin prospect including **2.76 metres @ 0.109 % eU₃O₈**, (from 159.84 to 162.6 metres), and **3.76 metres @ 0.038 % eU₃O₈** (from 168.22 to 171.98 metres) in hole **NM051**. Follow up drilling in the September 2008 quarter returned intersections including **1.09 metres @ 0.095 % eU₃O₈**, and **0.87 metres @ 0.119 % eU₃O₈**.

Giralia's tenements cover around 45 kilometres of strike of the range front marking the edge of Proterozoic basement outcrop both north and south of the Beverley Four Mile discovery, along with the direct extensions of the Beverley East and Deep South deposits. Heathgate has recently extended its mineral production leases at Beverley to the east and south, to now directly adjoin Giralia's tenements.

Alliance Resources Limited ("Alliance") announced in mid- 2009 that production from the Beverley Four Mile Uranium Mine is scheduled to commence in January 2010 following Australian Government approval based on a total reported resource of 8 million tonnes @ 0.35% U3O8 located just west of Beverley, in a small segment of the prospective Frome Basin not covered by Giralia's JV tenements. Heathgate affiliate Quasar Resources Pty Ltd holds 75% interest in Four Mile, on similar terms to those that apply to Giralia's Lake Frome JV.

Heathgate report that drilling is planned to commence in the December quarter on the southern (Wooltana) JV tenement. A ground gravity survey was completed on the northern (North Mulga) tenement (94 stations), and planning commenced for further drilling of the Yadglin prospect at North Mulga.



Lake Frome JV summary plan

"eU₃O₈"-refers to the equivalent U₃O₈ grade as estimated from downhole gamma logging and provides a more representative sample than chemical assays due to a much larger volume of rock being measured. This method is commonly used to estimate uranium grade in drillholes where the radiation contribution from thorium and potassium is believed to be negligible. Compared to chemical assays, gamma logging also offers a vastly superior resolution, increased precision and does not suffer from contamination.

Snake Well Gold Project (Giralia 100%)

The Company's 100% owned Snake Well gold project, located 150 kilometres north-east of Geraldton in Western Australia, has a global resource of 170,000 ounces of gold hosted in near surface laterites and quartz lode/shear zone style deposits in an undeveloped Archaean greenstone belt. Giralia's tenements cover 45 kilometres of strike of three parallel mineralised structures.

The Company continued discussions with parties interested in joint development of the Snake Well gold project. Additionally the Company funded Working Group meeting with each of the two Native Title claim groups at Snake Well in order to progress the grant of key Mining Leases.

Snake Well- Conquistador Joint Venture (Zinc Co Australia Limited earning up to 75%)

The Conquistador Joint Venture has been expanded to cover most of the area of the Company's Snake Well gold project, excluding the mafic hosted Mixy, Calisi, Warren gold lode systems and the Lop and Buckshot laterite deposits. Zinc Co Australia Limited ("Zinc Co") can earn up to 75% interest, with Giralia retaining certain gold exploration rights.

The JV area now covers 50 strike kilometres of volcanic rocks in the Talling Greenstone Belt. These rocks are prospective for high unit value volcanic hosted massive sulphide (VHMS) deposits. The setting is similar to that of the world class Golden Grove VHMS deposits (Gossan Hill, Scuddles) 150 kilometres to the south east.

Diamond drilling has previously intersected mineralisation of VHMS style including; 4 metres @ 8.25% Zn, 20.5 g/t Ag, 0.53% Cu and 0.63% Pb from 88 metres and 6.7 metres @ 6.1% Zn including 2 metres @ 18% Zn from 118 metres at Conquistador, and 1 metre @ 4.90% Zn, 14.0 g/t Ag, 0.51% Cu, 0.90% Pb and 5.63 g/t Au from 154 metres, and 2.1 metres @ 2.34% Zn, 13.5 g/t Ag, 0.69 % Cu, 0.22 % Pb and 1.81 g/t Au from 131.4 metres from A-Zone.

In November 2008, a 670 line kilometre helicopter electromagnetic (HeliGeotem) survey was flown over volcanics under shallow cover extending 12 kilometres east of Conquistador. Interpretation of the HeliGeotem data identified 12 anomalous features of which four are ranked first priority for further work. Two are on the southern margin of IP chargeability highs, a position previously identified as a potential massive sulphide position.

Zinc Co report no field activity during the quarter.

Cardinals Joint Venture (Zinc Co earning up to 75%, Giralia retaining nickel rights.)

The Cardinals project is a joint venture between Zinc Co Australia (“Zinc Co”) as manager (earning up to 75%) and Giralia. Giralia retains nickel rights. Zinc Co report that drilling commenced late in the quarter at the Cardinals project, testing a well defined geophysical target for volcanic hosted massive sulphide (“VHMS”) style base metals mineralisation.

Cardinals is located 150 kilometres south of Port Hedland in Western Australia’s Pilbara region and covers potential strike extensions to the host rocks of CBH Resources Ltd's Panorama-Sulphur Springs VHMS base metals project (Sulphur Springs published resource of 15.5 million tonnes @ 3.5% Zn, 1.3% Cu) which is located 35 kilometres to the north east.

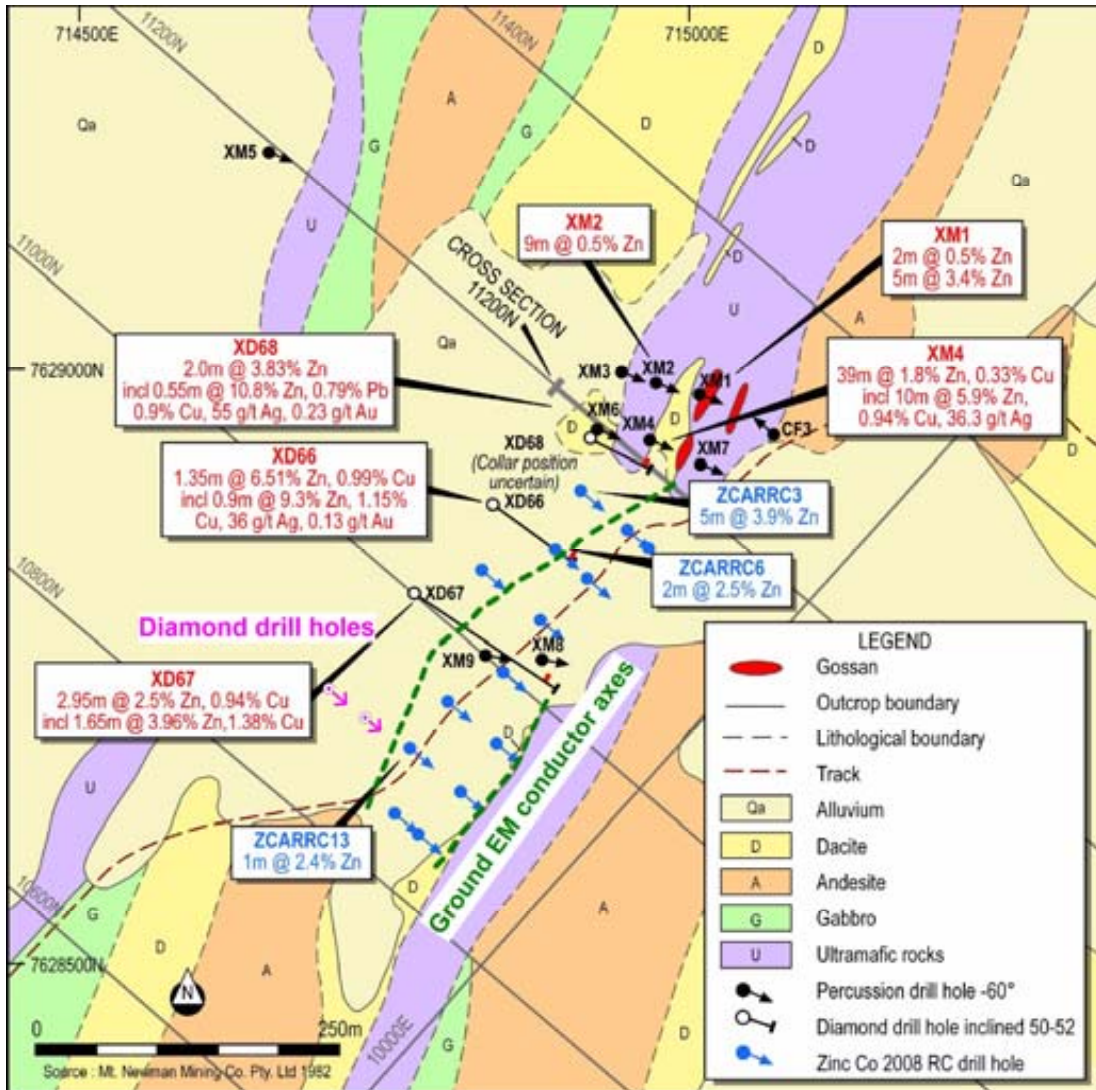
Shallow 1970’s percussion drilling at Cardinals returned an intersection of 10 metres @ 5.9% Zn, 0.94% Cu, 36 g/t Ag (including 2 metres @ 13.2% Zn) just south of a prominent gossan. Zinc Co completed 15 shallow RC drill holes at Cardinals in 2008. Intersections including 5m @ 3.9% Zn, 0.3% Pb, 0.6% Cu, 37 g/t Ag, extended the mineralised system up to 300 metres grid south of the gossan and 175 metres grid south of previous drilling.

As announced to the ASX on 6 July 2009, a diamond drilling programme was undertaken designed to test two parallel ground EM geophysical anomalies defined by a December 2008 survey on strike grid south of the Cardinal’s gossan outcrop. A second hole was collared to test beneath this intersection.

Two diamond drill holes were completed on section 10900N to test the EM anomalies at depth. ZCARD001 (total depth 264.2m) passed down hole through pyrrhotite chalcopyrite veins in rhyolite/dacite lavas into an 8 metre thick coarse volcanoclastic. The volcanoclastic is terminated by an ultramafic intrusive. Silica/sericite/sulphide alteration increases down hole towards the volcanoclastic unit which shows strong matrix replacement by sulphides, including bands of sphalerite. Best assay results were returned from this zone of coarse volcanoclastic.

Hole	From (m)	To (m)	Intersection
ZCARD001	227	228	1m @ 4.96% Zn, 0.23% Pb, 0.18% Cu, 9 ppm Ag
ZCARD001	231	234	3m @ 2.59% Zn, 0.15% Pb, 0.43% Cu, 25 ppm Ag

A second hole (ZCARD002, total depth 318.4m) was collared to test for massive sulphide 60 metres down dip of the intersection in ZCARD001. This hole intersected a similar sequence of silica/sericite/sulphide altered felsic lava passing into a 19 metre intersection of coarse volcanoclastic terminating in an ultramafic intrusive. The volcanoclastic contains up to 5% pyrite and pyrrhotite with trace amounts of zinc and copper sulphides.



Cardinals Prospect diamond drill hole locations

The pyrrhotite bearing veins and sulphides in the coarse volcanoclastic are sufficient to explain the EM conductors. The drilling results indicate that the massive sulphide position may have been stoped out by the ultramafic intrusion on 10900N section. Further drilling will be considered to test other sections where the massive sulphide position may not have been removed by the intrusion.

Cookes Creek Western Extension JV (Giralia 30% free carried, Hazelwood Resources Ltd 70%)

Hazelwood Resources Ltd (Hazelwood) reports no field activity at the Cookes Creek Western Extension JV. Hazelwood is earning a 70% participating interest with Giralia free carried at 30% to decision to mine in a large tenement in the Pilbara region of WA. Previously work includes a major HoistEM geophysical survey, which outlined several targets of interest including a large conductor at the Copper Gorge prospect, and three conductors at Far West along the Cookes Creek ultramafic sequence to the west of Hazelwood's 100% owned Anomaly Hill nickel sulphide deposit. Hazelwood has indicated its intention to drill test the conductor targets in the December quarter.

Blue Rose–Olary Joint Venture – (Giralia 49% contributing, PacMag Metals Limited 51%)

The Blue Rose – Olary Joint Venture is located 300 kilometres north-east of Adelaide in South Australia. PacMag Metals Ltd ("PacMag") has earned 51% interest from Giralia in the 1500 square kilometre project. Giralia is contributing to ongoing exploration programs. Several major targets have been defined to date by the JV partners;

The Blue Rose oxide copper deposit contains intersections such as: 46 metres @ 2.2% copper and 0.8 g/t gold from 11 metres depth, (including 28 metres @ 3.0% copper and 0.8 g/t gold). Beneath the oxide zones, drilling has intersected copper-gold-molybdenum sulphide mineralisation, which is open to extension along strike.

The Netley Hill molybdenum prospect comprises a broad near surface zone of molybdenum mineralisation with drill intersections including 40 metres @ 0.05% molybdenum and 1 g/t silver from 11 metres. No field work was undertaken on the prospects this quarter.

Golden Sophia - Gold

North of the Blue Rose prospect, limited previous shallow drilling by Battle Mountain (Australia) Inc in 1989 at the Golden Sophia Prospect intersected near surface, widespread, thick zones of low-grade gold mineralization, in fine to medium grained micaceous sandstones, associated with disseminated pyrite and minor quartz veining. Drilling results include; 60m @ 0.58g/t Au (10 – 70m eoh) incl 6m @ 1.07g/t Au and 2m @ 8.4g/tAu and 30m @ 0.61g/t Au (2 – 32m), incl 5m @ 1.3 g/t Au.

Potential at Golden Sophia exists for a zone of mineralisation with modest tonnes at low gold grades within the existing soil anomaly, however, further potential lies in the zones along strike under alluvial cover for the discovery of higher grade mineralization, as well as for mineralisation of a higher tenor associated with the underlying magnetic anomaly (modeled as 500m strike, 150m width, 60m below surface at 0.5% magnetite), that has yet to be tested by deeper drilling. Note, previous drilling has tested to an average of only 30m below surface, with the deepest hole (GS3) drilled to 54m below surface (70m @ -60 degrees).

Field reconnaissance is planned next quarter to assess the potential of the Golden Sophia prospect, as well as the surrounding area where there are numerous additional historic gold workings and occurrences that have never been explored with modern exploration techniques.

Iron Ore

Reconnaissance mapping and rock chip sampling by PacMag geologists has identified high-grade iron associated with magnetite rich units of the Braemar Iron Formation (host to the Razorback Ridge iron project) within the Blue Rose JV area, along strike from the Razorback Ridge target recently optioned by Royal Resources Limited (some 20km west of the Blue Rose JV tenure). The northern magnetite rich units exposed at surface show variable but locally very high-iron content, up to 50.8% Fe, with two additional discrete, southern iron formation units interpreted to occur beneath alluvium based on the presence of strong aeromagnetic anomalies.

The Blue Rose joint venture partners are currently considering their options in regards to the iron ore potential on the joint venture leases.

Olary Uranium (Giralia 100%)

Giralia has resumed 100% interest in uranium rights on the Blue Rose-Olary tenements in South Australia, following the withdrawal of Peninsula Minerals Limited from a farm-in arrangement.

The Company completed a small RC drilling program at the Olary uranium project during the previous quarter.

Results were generally disappointing, failing to deliver grades similar to the surface, with a peak 560ppm uranium value (660ppm U₃O₈), also consistent with a lack of lanthanum compared with the high cerium-lanthanum contents of the surface samples, suggesting the presence of refractory minerals.

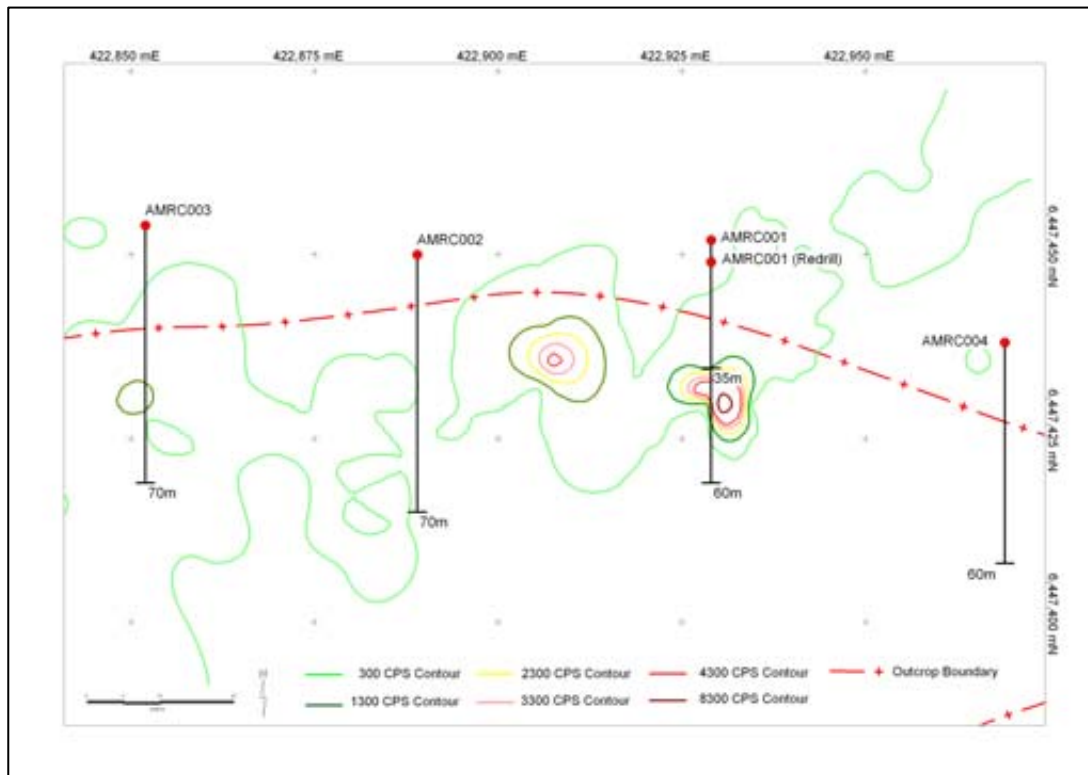


FIGURE : Olary, radiometric ground survey and drill hole location

Yuinmery Joint Venture (Giralia 49% diluting, La Mancha Resources Australia Pty Ltd 51%)

La Mancha Resources Australia Pty Ltd (formerly Mines & Resources Australia Pty Ltd) reports that a velocity-timed electromagnetic survey (“VTEM”) survey was completed in mid September at the Yuinmery Joint Venture tenements. The survey was flown over more than 500 line km.

The data collected is currently being processed by Southern Geoscience Consultants.

Ashburton (Giralia 100%)

Regional prospecting for iron ore potential was completed during the June quarter on the Beasley West, Howlett Bore, Echo Gorge and Mt Maguire tenements. A channel iron mesa discovered on the Beasley West tenement E47/1115 has potential for modest tonnages with surface sampling suggesting low alumina. Authorisation to explore for iron is awaited prior to submitting a drill proposal.

Corktree Joint Venture (Giralia 100%, PacMag Metals Limited can earn an initial 51%)

PacMag Metals Limited reports no field activities during the quarter on the Corktree copper prospect located around 80 kilometres north of Wiluna, and 25 kilometres ESE of Sandfire Resources NL’s Doolgunna copper discovery. Reconnaissance mapping and sampling in the previous quarter encountered a new copper anomalous zone south of previous drilling at Corktree. Niton XRF results to 0.3%Cu were returned from a 400 metre long zone up to 40 metres wide.

The newly identified zone strikes northwesterly and is orientated sub-parallel to much of the previous drill lines, opening up the possibility that the previous drilling was not orientated correctly to intersect primary copper mineralised zones at Corktree.

Corktree is on the western edge of the Earahedy Basin. A strong gravity gradient marks the boundary between Yelma Formation dolomites and basement Thaduna Formation greywackes. The area has previously been explored by WMC and CRA, whose drilling returned samples including 24 metres @ 0.22% copper, 16 metres @ 0.26% copper, and 3 metres @ 1.6% copper.

The primary source of the widespread secondary copper mineralisation at Corktree has not yet been found, nor has the near-surface anomaly been closed off. The location of the prospect at the edge of a mid-Proterozoic sedimentary basin abutting a basement high, and the presence of metalliferous inclusions in hydrocarbons, suggest potential for sediment hosted base metals mineralisation. A heritage survey request has been lodged with Native Title parties.

Kathleen Valley/MtHarris Joint Ventures (Giralia 14-26% diluting)

Xstrata Nickel (formerly Jubilee Gold Mines NL) operates the Kathleen Valley and Mt Harris joint venture tenements north of the Cosmos nickel mine.

A first pass assessment of the airborne EM survey (VTEM: Versatile Time-Domain ElectroMagnetic) that was flown in December 2008 has been completed. Several anomalies have been identified, some related to obvious cultural features but others that appear to be related to geological features.

A small infill surface geophysics programme (fixed-loop EM) will be completed over the South Ilias Prospect within tenement M36/441 during the December 2009 quarter. A similar area was covered in the survey completed earlier this year, however the loop position and the orientation of the survey lines in this new survey will be in a better position to investigate the main magnetic trend and ultramafic unit situated ~100m to the east.

R M Joyce

29 October 2009

Director

Perth, WA

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 his information in the form and context in which it appears.

The information in the report that relates to in-situ Mineral Resources at Mt Webber is based on information compiled by Mr Chris Allen of CSA Global. Mr Chris Allen takes overall responsibility for the Report. He is a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Mr Chris Allen consents to the inclusion of such information in this Report in the form and context in which it appears.

The information in the report that relates to in-situ Mineral Resources at Western Creek and Anthiby Well is based on information compiled by Mr Grant Louw of CSA Global. Grant Louw takes overall responsibility for the Report. He is a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Grant Louw consents to the inclusion of such information in this Report in the form and context in which it appears.

The information in this Report that relates to in-situ Mineral Resources at Beebyn and Mc Phee Creek is based on information compiled by Malcolm Titley of CSA Global. Malcolm Titley takes overall responsibility for the Report. He is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Malcolm Titley consents to the inclusion of such information in this Report in the form and context in which it appears.