

ASX ANNOUNCEMENT

EXPLORATION TARGET OF 200 -250 MILLION TONNES FOR EXPANDED YERECOIN MAGNETITE PROJECT

- Initial Exploration Target of 200 million to 250 million tonnes of magnetite mineralisation outlined at Giralia’s 100% owned Yerecoin project.
- Giralia’s March 2009 drilling at Yerecoin highlighted excellent magnetic separation results from sighter Davis Tube Testwork with concentrate grades >71%Fe, < 1%SiO₂, with exceptionally coarse grind size for magnetite liberation.
- Key is location with existing rail within 1 kilometre.
- Scoping Study commissioned to review development options.

The Directors of Giralia Resources NL ("Giralia" ASX-GIR) are pleased to report an initial Exploration Target* at the Company’s 100% owned Yerecoin magnetite iron ore project. The Yerecoin project is located less than 150 kilometres north of Perth, and 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** including **56 metres @ 35.7% Fe**, and **50 metres @ 30.3% Fe**. In May 2009 the Company significantly expanded the Yerecoin project with the acquisition of key adjoining ground from Polaris Metals NL ("Polaris").

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

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, the Company has defined an initial Exploration Target at Yerecoin of 200 to 250 million tonnes of magnetite mineralisation grading 30% to 35% 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.

Table 1; Grind optimisation test work on Yerecoin drill core

Sample grind size	weight recovery %	DTR Fe%	DTR SiO ₂ %
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 106 microns	46.4	71.1	1.89
P80 150 microns	46.2	69.3	3.37
P80 250 microns	52.2	62.9	11.4

Note; samples from hole RDY002, 201- 215 m, head assay 36.9% Fe, 44.2%SiO₂. P80 106 microns = 80% passing size

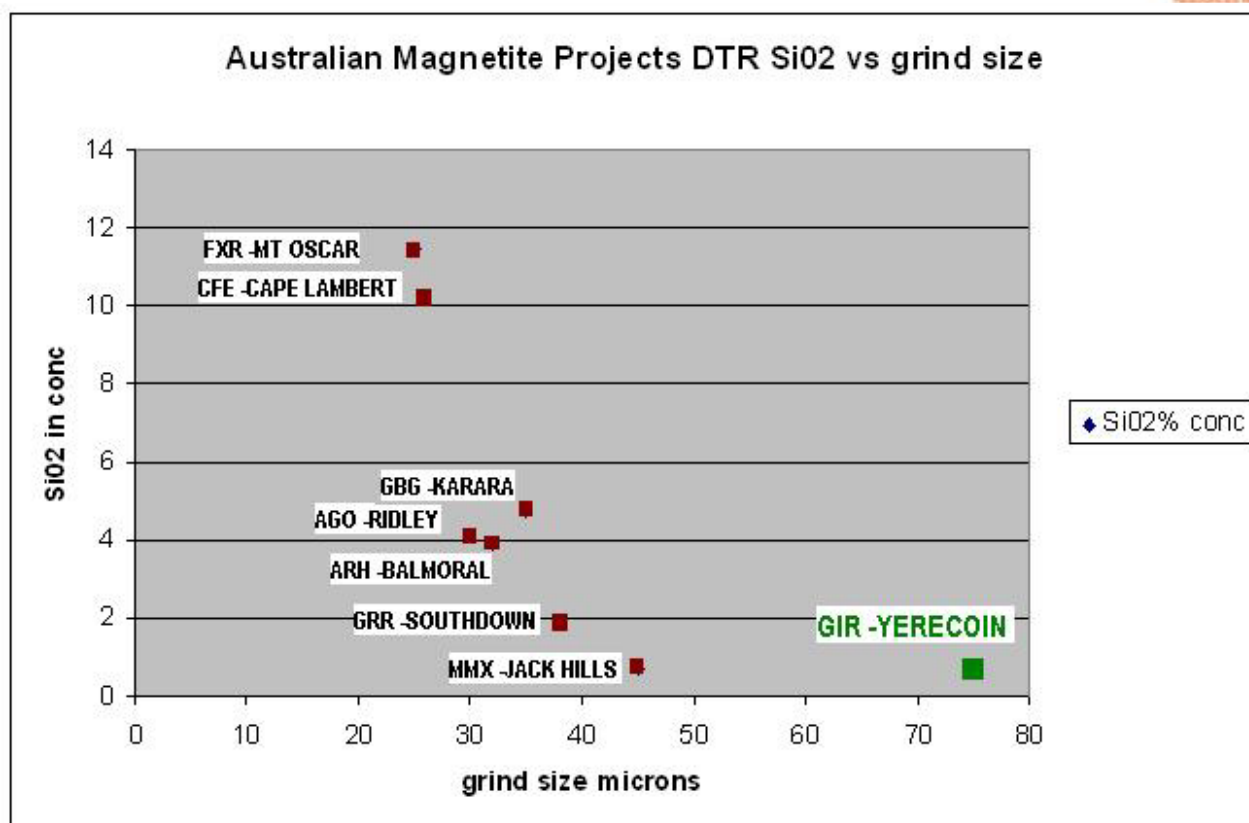


fig 1; Graph showing silica (SiO2) levels in DTR concentrate versus grind size for Australian magnetite deposits (source; ASX releases, company websites).

Recent initial geological mapping and sampling (30 rock samples) of the outcropping iron formations on the newly acquired Polaris tenement returned an average iron grade of 35%Fe, and numerous targets for first pass drilling have been defined.

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.

R M Joyce
DIRECTOR

13 July 2009

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.

** The term "Exploration Target" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. Exploration Targets are conceptual in nature, and it is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.*



fig 2: Location Plan showing existing port and rail

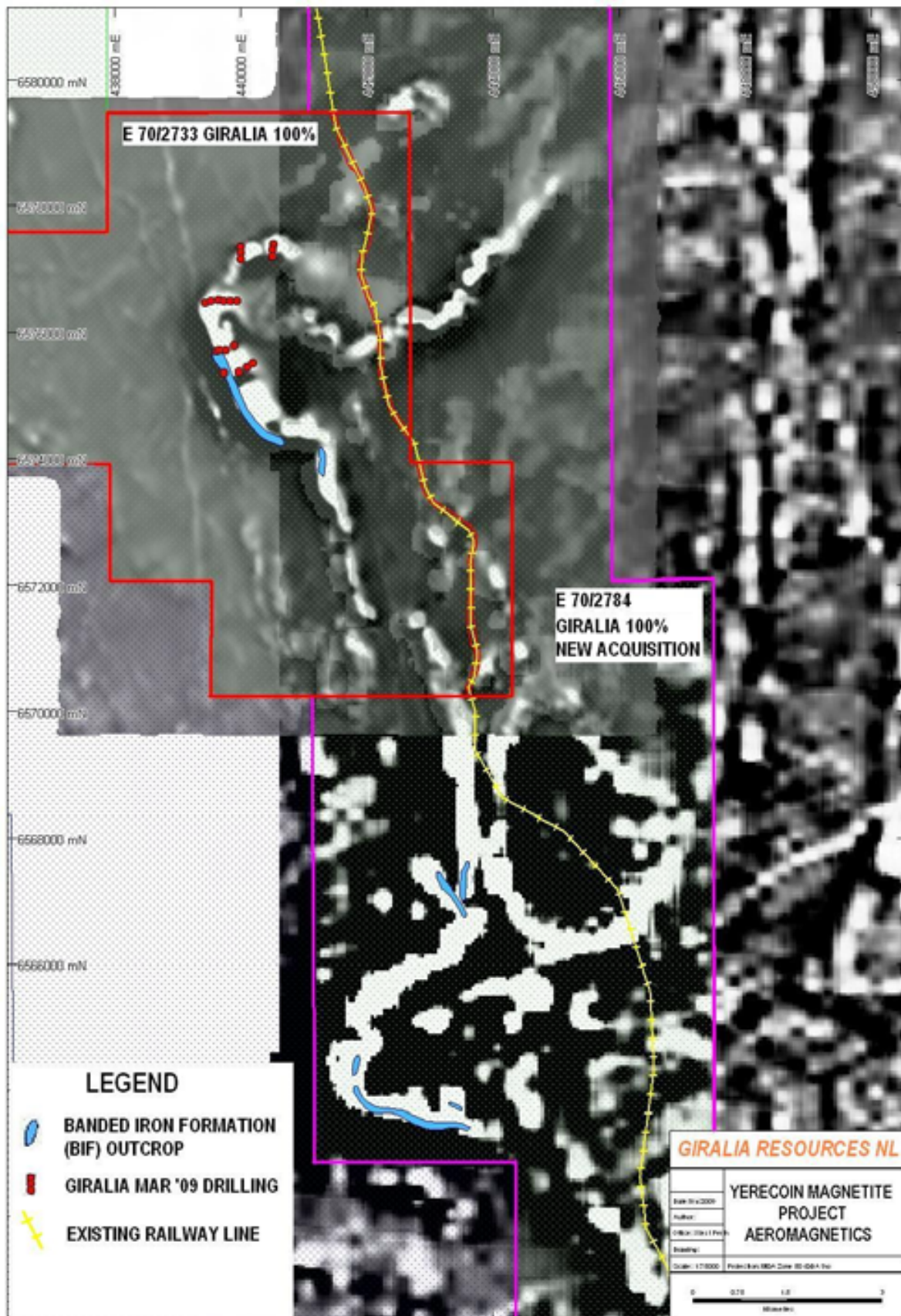


fig 3; Yerecoin 2009 drill hole locations on aeromagnetic image

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	~15%
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%