

## ASX ANNOUNCEMENT

### IRON ORE DRILLING UPDATE

- **Further positive assay results returned from late 2007 RC drilling at the greenfields Earraheedy iron ore project, with significant results returned from 4 of the 8 hills drilled including 12 metres @ 57.3%Fe (from surface), and 12 metres @ 56.1%Fe within 38 metres (to end of hole) @ 53.6%Fe. This initial program involved widely spaced drillholes testing beneath 8 of the 23 known hills with outcropping hematite mineralisation. Strong hematite alteration was noted to significant depths in many holes.**
- **Strong results returned from a 71 hole drilling program completed in December 2007 at Western Creek, including 36 metres @ 58.0%Fe, 22 metres @ 58.7%Fe and 32 metres @ 56.5%Fe are likely to substantially extend current 40 million tonne resource. Results from newly acquired Homestead prospect awaited.**
- **Assays awaited for 87 hole drilling program completed 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 a further progress update on recently received assay results from late 2007 exploration and resource drilling at the Company's 100% owned iron ore projects. Over 300 reverse circulation ("RC") holes have been completed between August and December 2007 at the Company's Beebyn, Earraheedy, Western Creek and Anthiby Well iron projects.

#### 1. Earraheedy Iron Ore Project (Giralia 100%)

Almost all four metre composite assay results have now been received from a 121 hole RC drilling program completed in October-November 2007 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 Giralia's first significant drill program. 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.

Assay results from four metre composite samples have now been received for all holes drilled. Of the 8 hills tested in this initial program, 4 produced significant intersections of hematite at shallow depths. The results are regarded as encouraging and confirm deep penetrative hematite enrichment of the iron formations in the Miss Fairbairn Hills, with many intersections commencing from surface.

Better intersections include hole RCE047; hematite mineralization from surface to end of hole, including **20 metres @ 55.7% Fe**, within an overall zone of 40 metres @ 51.6% Fe, hole RCE088; 24 metres @ 53.8% Fe from surface including **8 metres @ 58.7% Fe**, hole RCE117; **12 metres @ 57.3%Fe** from surface and hole RCE150; **38 metres to end of hole @ 53.6%Fe, including 8 metres @ 56.8%Fe.**

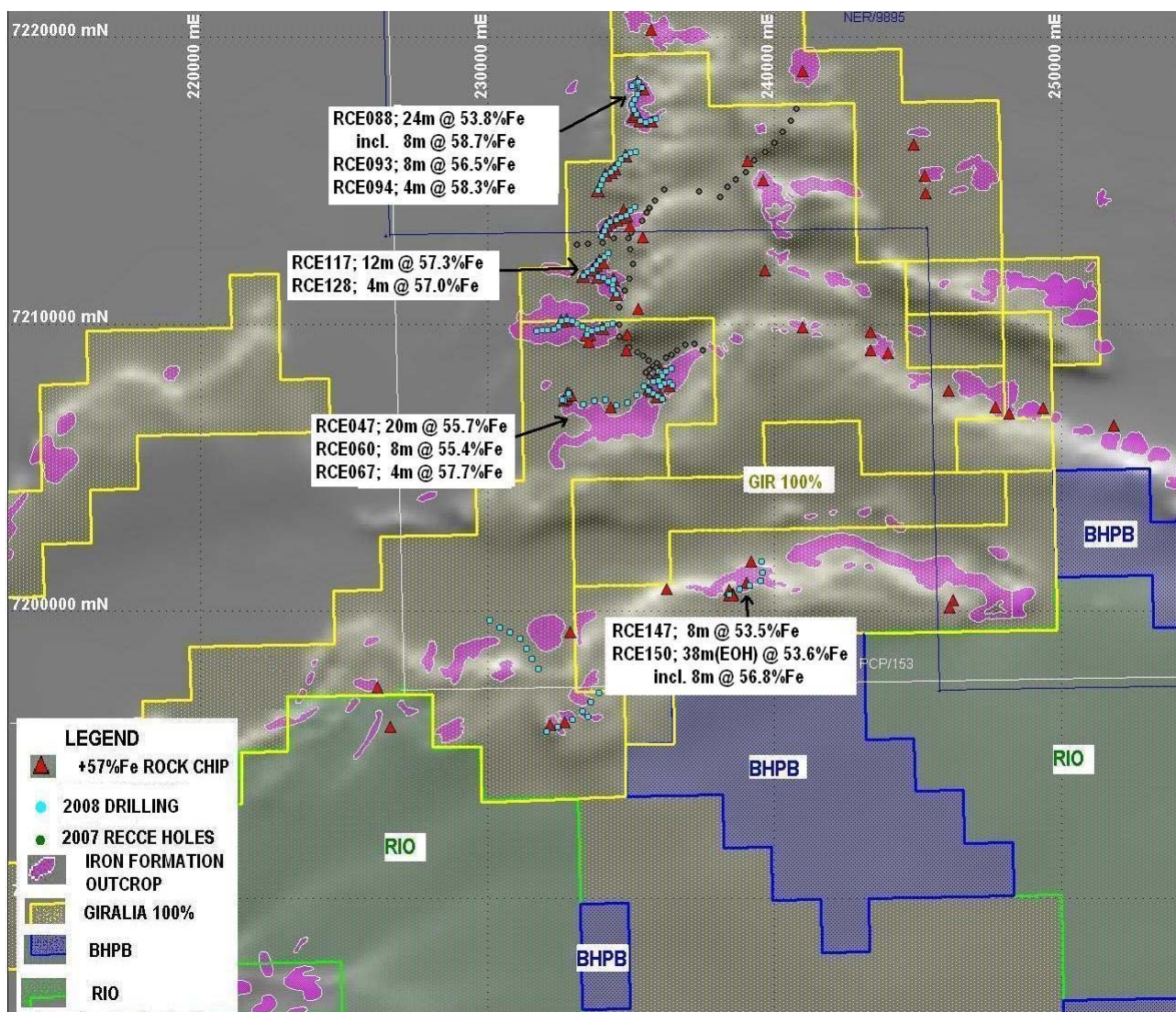
Further drilling at Earaaheedy, once permitted, will target extensions to mineralised intercepts along with first pass tests of additional hills of hematite outcrop, particularly in the lightly explored east and south of Giralia's tenements.

Selected intersections received are shown below;

### Earaaheedy Project October-November 2008 RC Drilling Results >4 metres @ 50% Fe

Hole No	Coordinates		Dip/ Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	P%	S %	Al <sub>2</sub> O <sub>3</sub> %	LOI
	East	North										
RCE046	232945	7207655	-90	72	16	20	4	52.4	0.03	0.07	4.3	4.0
RCE047	232898	7207583	-90	65	20	40	<b>20</b>	<b>55.7</b>	0.04	0.06	5.2	5.4
				and	52	60	8	53.6	0.05	0.01	4.6	4.8
RCE051	232805	7207573	-90	78	56	60	4	51.1	0.05	0.01	7.8	4.1
RCE053	232902	7207686	-90	54	4	12	8	50.6	0.02	0.07	4.2	5.4
RCE056	232456	7207383	-90	18	4	8	4	50.4	0.02	0.03	3.3	7.0
RCE060	234997	7207440	-90	84	56	64	<b>8</b>	<b>55.4</b>	0.18	0.01	10.8	3.0
RCE067	235893	7208162	-90	78	8	12	4	52.9	0.04	0.03	5.5	5.8
				and	72	76	<b>4</b>	<b>57.7</b>	0.01	0.01	1.9	1.7
RCE073	236212	7208361	-90	78	0	4	4	52.8	0.02	0.06	5.5	5.0
RCE077	236099	7208532	-90	42	8	12	4	51.8	0.03	0.02	3.9	5.8
RCE081	235456	7217267	-90	68	8	12	4	51.1	0.03	0.06	4.7	6.5
				and	20	24	4	50.2	0.01	0.02	3.6	8.4
RCE088	235520	7218396	-90	60	0	24	<b>24</b>	<b>53.8</b>	0.04	0.04	5.7	5.2
				incl	4	12	<b>8</b>	<b>58.7</b>	0.04	0.03	4.4	3.8
RCE090	235340	7218498	-90	72	0	20	20	51.7	0.03	0.04	4.9	5.5
				incl	8	12	<b>4</b>	<b>55.2</b>	0.04	0.04	4.2	4.7
RCE093	235318	7218578	-90	66	4	12	<b>8</b>	<b>56.5</b>	0.03	0.06	5.1	3.6
RCE094	235174	7218486	-90	54	0	4	<b>4</b>	<b>58.3</b>	0.05	0.03	7.6	2.8
RCE098	234785	7215909	-90	60	20	24	4	54.7	0.02	0.24	4.8	5.7
RCE109	234790	7211388	-90	60	0	4	4	50.4	0.04	0.06	6.0	5.8
RCE117	234049	7212382	-90	72	0	12	<b>12</b>	<b>57.3</b>	0.04	0.03	3.4	4.2
RCE119	233466	7211850	-90	78	0	4	4	50.3	0.03	0.06	5.1	6.3
RCE124	234339	7211667	-90	42	14	20	<b>6*</b>	<b>54.5</b>	0.02	0.04	3.7	6.1
RCE125	234536	7211707	-90	60	0	4	4	52.0	0.03	0.02	3.3	4.0
RCE128	234621	7211198	-90	66	0	4	<b>4</b>	<b>57.0</b>	0.05	0.04	3.7	3.3
RCE147	239710	7201474	-90	60	12	20	<b>8</b>	<b>53.5</b>	0.07	0.05	6.3	6.1
RCE150	238914	7200936	-90	54	<b>16</b>	<b>54</b>	<b>38(EOH)</b>	<b>53.6</b>	0.26	0.05	5.0	7.8
				incl.	<b>32</b>	<b>40</b>	<b>8</b>	<b>56.8</b>	0.19	0.01	3.5	6.6
RCE151	238541	7200740	-90	48	12	16	4	51.2	0.17	0.02	6.5	7.2

RC drill samples collected as 4 composites. Intersections quoted using lower cut-offs of 50% and 55% Fe. Up to 8 metres included material below cut-off. All coordinates in MGA Zone 51 GDA 94, by hand held GPS ( $\pm$  5m). XRF analyses by Spectrolab Laboratory Geraldton. EOH = open at end of hole. QA/QC included typically field duplicate samples and two standard (Certified Reference Material), comprising one coarse standard and one pulverised standard for each drill hole. \* cavity 9-14m (no sample)



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

## 2. 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. Giralia has outlined a current Inferred Mineral Resource of **40.7 million tonnes @ 57.3% Fe** as a direct extension of BHPBilliton'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**.

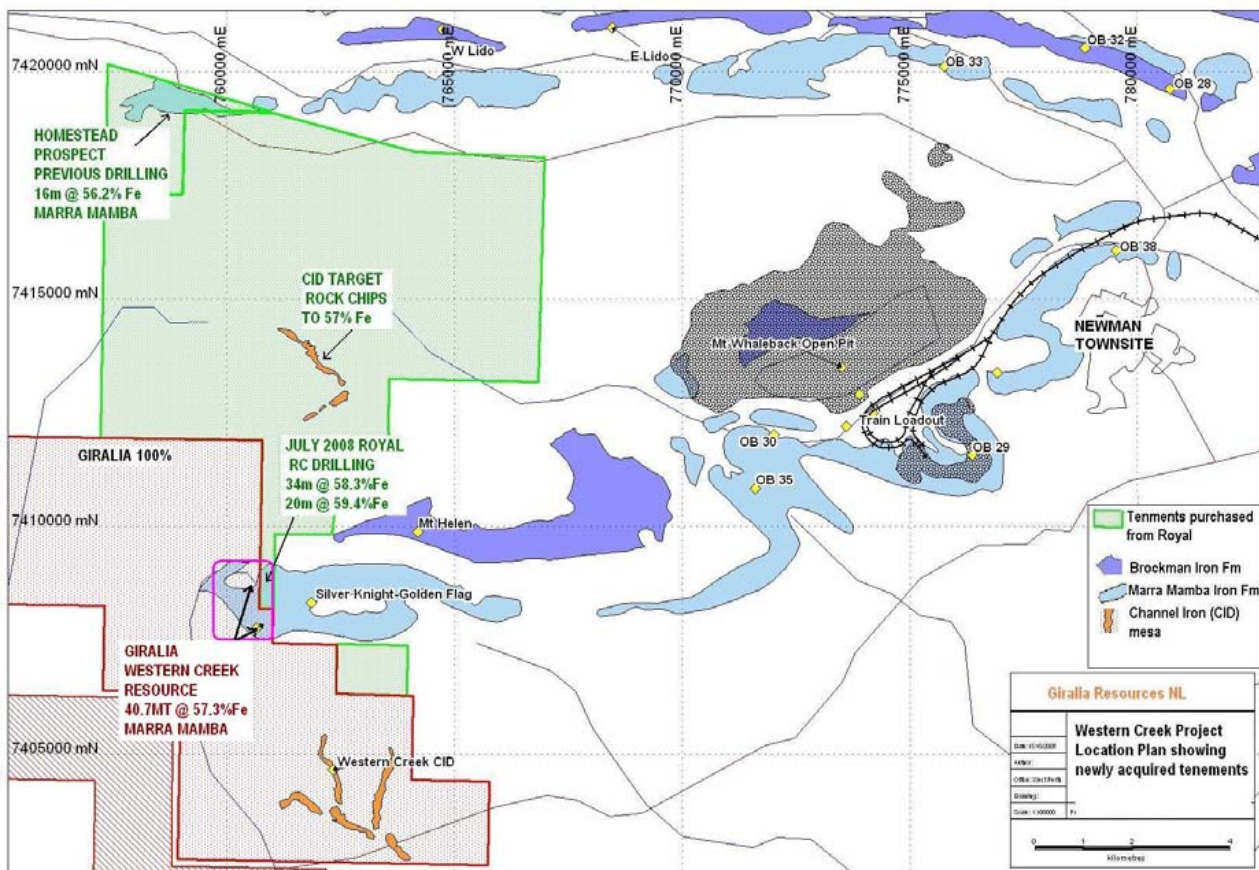
A 71 hole (4062 metres) RC drilling program was completed in December 2007 at Western Creek, with 49 holes targeting extensions to the current resource, and 22 holes drilled as an early test of the newly acquired "Homestead" prospect, where limited previous drilling by Pacminex in 1975 intersected up to 16 metres @ 56.2% Fe in the Marra Mamba Formation. Results from the Homestead drilling are awaited.

Results received to date are positive and are considered likely to increase to the current resource, particularly in the North Marra Mamba zone. Better intersections include **36 metres @ 58.0% Fe** from 16 metres depth including **18 metres @ 60.7% Fe** in hole RCWC116, and **22 metres @ 58.7% Fe** from 6 metres depth including **14 metres @ 60.3%Fe** in hole RCWC107.

### Western Creek November-December 2007 RC Drilling Results > 4metres @ 50%Fe

Hole No	Coordinates		Dip	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	P %	S %	Al2O3 %	LOI
	East	North										
RCWC094	760354	7407764	-90	66	0	20	20	53.3	0.06	0.07	4.2	10.31
				incl.	<b>12</b>	<b>16</b>	<b>4</b>	<b>57.1</b>	0.08	0.05	1.9	10.4
RCWC095	760911	7408142	-90	72			awaited					
RCWC096	761010	7408093	-90	72	<b>10</b>	<b>38</b>	<b>28</b>	<b>56.0</b>	0.06	0.07	3.4	8.35
				incl.	<b>14</b>	<b>34</b>	<b>20</b>	<b>58.1</b>	0.07	0.07	3.2	8.39
RCWC097	760920	7408086	-90	60			awaited					
RCWC105	760583	7409113	-90	60	<b>12</b>	<b>24</b>	<b>12</b>	<b>56.2</b>	0.06	0.11	5.6	8.48
RCWC106	760617	7408503	-90	54	<b>14</b>	<b>32</b>	<b>18</b>	<b>56.8</b>	0.06	0.03	2.4	8.81
				incl.	<b>16</b>	<b>30</b>	<b>14</b>	<b>58.1</b>	0.07	0.03	2.2	9.08
RCWC107	760658	7408456	-90	60	<b>0</b>	<b>28</b>	<b>28</b>	<b>57.4</b>	0.07	0.04	2.9	8.30
				incl.	<b>6</b>	<b>28</b>	<b>22</b>	<b>58.7</b>	0.07	0.04	2.1	7.90
RCWC108	760709	7408390	-90	54	0	20	20	54.3	0.06	0.04	2.5	8.41
					<b>16</b>	<b>20</b>	<b>4</b>	<b>57.6</b>	0.08	0.03	2.0	9.25
RCWC109	760560	7408445	-90	54	4	14	10	53.8	0.06	0.05	3.0	10.10
				incl.	<b>6</b>	<b>10</b>	<b>4</b>	<b>57.2</b>	0.06	0.04	2.2	9.34
RCWC110	760527	7408486	-85	42	6	10	4	52.8	0.05	0.10	4.4	9.05
				and	16	28	12	54.1	0.07	0.04	4.3	10.88
RCWC111	760475	7408539	-90	60	<b>4</b>	<b>40</b>	<b>36</b>	<b>55.9</b>	0.05	0.04	3.5	9.84
				incl.	<b>18</b>	<b>38</b>	<b>20</b>	<b>57.5</b>	0.06	0.05	2.5	10.43
RCWC112	760412	7408600	-90	72	<b>0</b>	<b>46</b>	<b>46</b>	<b>55.3</b>	0.05	0.08	5.2	7.88
				incl.	<b>14</b>	<b>46</b>	<b>32</b>	<b>56.4</b>	0.07	0.10	4.3	9.87
RCWC113	760375	7408643	-90	62	<b>6</b>	<b>24</b>	<b>18</b>	<b>57.5</b>	0.03	0.04	5.8	3.17
				incl.	<b>8</b>	<b>24</b>	<b>16</b>	<b>58.1</b>	0.03	0.05	5.7	3.14
RCWC114	760355	7408711	-90	60	<b>6</b>	<b>26</b>	<b>20</b>	<b>56.9</b>	0.03	0.01	5.8	2.76
				incl.	<b>10</b>	<b>26</b>	<b>16</b>	<b>57.8</b>	0.03	0.01	5.4	2.63
RCWC116	760233	7408707	-90	60	<b>12</b>	<b>48</b>	<b>36</b>	<b>58.0</b>	0.06	0.02	3.4	9.20
				incl.	<b>16</b>	<b>46</b>	<b>30</b>	<b>59.1</b>	0.05	0.02	2.8	8.97
RCWC118	760228	7408560	-90	60	6	22	16	51.5	0.07	0.07	7.8	9.66
RCWC119	760091	7408680	-90	66	0	10	10	53.6	0.06	0.02	5.3	8.50
RCWC120	760093	7408620	-90	72	<b>8</b>	<b>12</b>	<b>4</b>	<b>55.5</b>	0.04	0.02	6.1	6.42
RCWC122	759739	7408700	-90	66	<b>6</b>	<b>10</b>	<b>4</b>	<b>55.1</b>	0.08	0.03	3.2	9.36
RCWC124	759736	7408586	-90	42	6	10	4	52.3	0.06	0.07	3.9	9.44
				and	14	22	8	53.2	0.05	0.03	2.7	9.27
RCWC126	759939	7408599	-90	66	0	20	20	53.6	0.06	0.03	5.5	8.36
				incl.	<b>8</b>	<b>18</b>	<b>10</b>	<b>58.3</b>	0.06	0.02	2.4	8.09
RCWC127	759937	7408672	-90	72	<b>20</b>	<b>24</b>	<b>4</b>	<b>55.2</b>	0.05	0.03	3.2	9.80
RCWC128	759941	7408727	-90	66	6	16	10	53.4	0.06	0.02	5.7	9.83
RCWC131	759938	7408973	-90	48	4	8	4	51.0	0.03	0.03	4.9	9.15
				and	20	24	4	52.0	0.03	0.04	4.9	9.35
RCWC132	759937	7408911	-90	60	2	10	8	51.1	0.04	0.03	5.0	8.81
RCWC134	760089	7408871	-90	78	<b>4</b>	<b>24</b>	<b>20</b>	<b>55.4</b>	0.04	0.04	5.1	10.10
				incl.	<b>14</b>	<b>24</b>	<b>10</b>	<b>57.7</b>	0.05	0.02	3.4	9.21
RCWC135	760088	7408934	-90	60	10	28	18	51.3	0.03	0.03	6.4	10.4
RCWC136	760089	7408990	-90	54	14	20	6	52.1	0.06	0.02	6.0	10.04
RCWC138	760229	7408880	-90	21	16	21	5(EOH)	53.9	0.05	0.02	6.2	10.98
RCWC142	760229	7408814	-90	66	<b>18</b>	<b>32</b>	<b>14</b>	<b>56.2</b>	0.06	0.01	4.3	9.31

RC drill samples collected as 2 metre riffle split composites. Intersections quoted using lower cut-offs of 50% and 55% Fe. Up to 6 metres included material below cut-off. All coordinates in MGA Zone 50 GDA 94, by hand held GPS ( $\pm 5$ m). XRF analyses by Spectrolab Laboratory Geraldton. EOH = open at end of hole. 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.



Location of Giralia's Western Creek Project (red) and recently acquired tenements (green) near BHPBilliton's Newman operations.

**R M Joyce**  
**DIRECTOR**

**7 January 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.*

## 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)