Giralia

Annual Report 2009

Corporate Directory ....

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Table of Contents ....

Page

CHAIRMAN'S REPORT

The past year was one of unprecedented turbulence in capital markets throughout the world, followed by a continuing period of tentative recovery, with equity markets leading the way. The Company's strong balance sheet and large cash holdings have enabled the assessment of its projects to continue as planned, with aggressive drilling programs being undertaken. The primary focus of these programs has been directed towards both those projects capable of development and monetisation in the near term, or offering the Company a prospective resource of sufficient size to be considered of company-changing impact, irrespective of the immediate state of world markets.

Falling into the former category are projects including Mt Webber, Yerecoin and the latest excellent results pointing to MdPhee Creek, while Earaheedy remains the sleeping giant in the portfolio, the assessment of which will take longer, but the potential long term rewards are of a scale rarely available to junior exploration companies.

The balance of the Company's exploration book continues to be high graded with a view to maximising value through sales or joint ventures. The last twelve months have also been significant in a market where demand for such quality projects has remained strong. Full details of the current exploration program are set out later in the Annual Report.

It is hard to predict the future direction of world markets, and the Board is cognisant of the risks that a further significant and sustained decline may occur. However, shareholders can be confident that the focus of corporate planning looks at both maximising shareholder value in a rising market, as well as protecting the Company's balance sheet (and looking for acquisition opportunities) in a declining market, all of which is made possible through our robust balance sheet and the excellent technical, managerial and commercial talent that continues to be available to the Company.

As usual, our thanks go to the untiring effort of our executives and employees, who continue their efforts on behalf of all shareholders.

Graham Riley
CHAIRMAN

15 October 2009

REVIEW OF OPERATIONS

SUMMARY

Giralia made good progress in the evaluation of its iron ore projects during the 2008/09 financial year, with the pace of exploration and development studies significantly quickened as a result of the transformational deals announced late the previous year, when Giralia raised approximately $70 million through the sale of its stake in ASX listed spin off Red Hill Iron Limited, and a subsequent major placement.

The Company continued aggressive resource drilling, focussing on near surface deposits close to existing or planned rail infrastructure in line with its objective of progressing worthy projects to decision point on development, sale or other options by the end of calendar 2009. Initial JORC resource estimates have now been announced for 5 of the Company's 7 iron ore projects, with Exploration Targets announced for the remaining 2 pending further drilling. Scoping level mining studies are in progress on the two projects with simplest access to infrastructure, with development studies planned for others on completion of resource drilling.

RC drilling at Beebynganna Hills

GIRALIA RESOURCES NL

HIGHLIGHTS 2008/2009

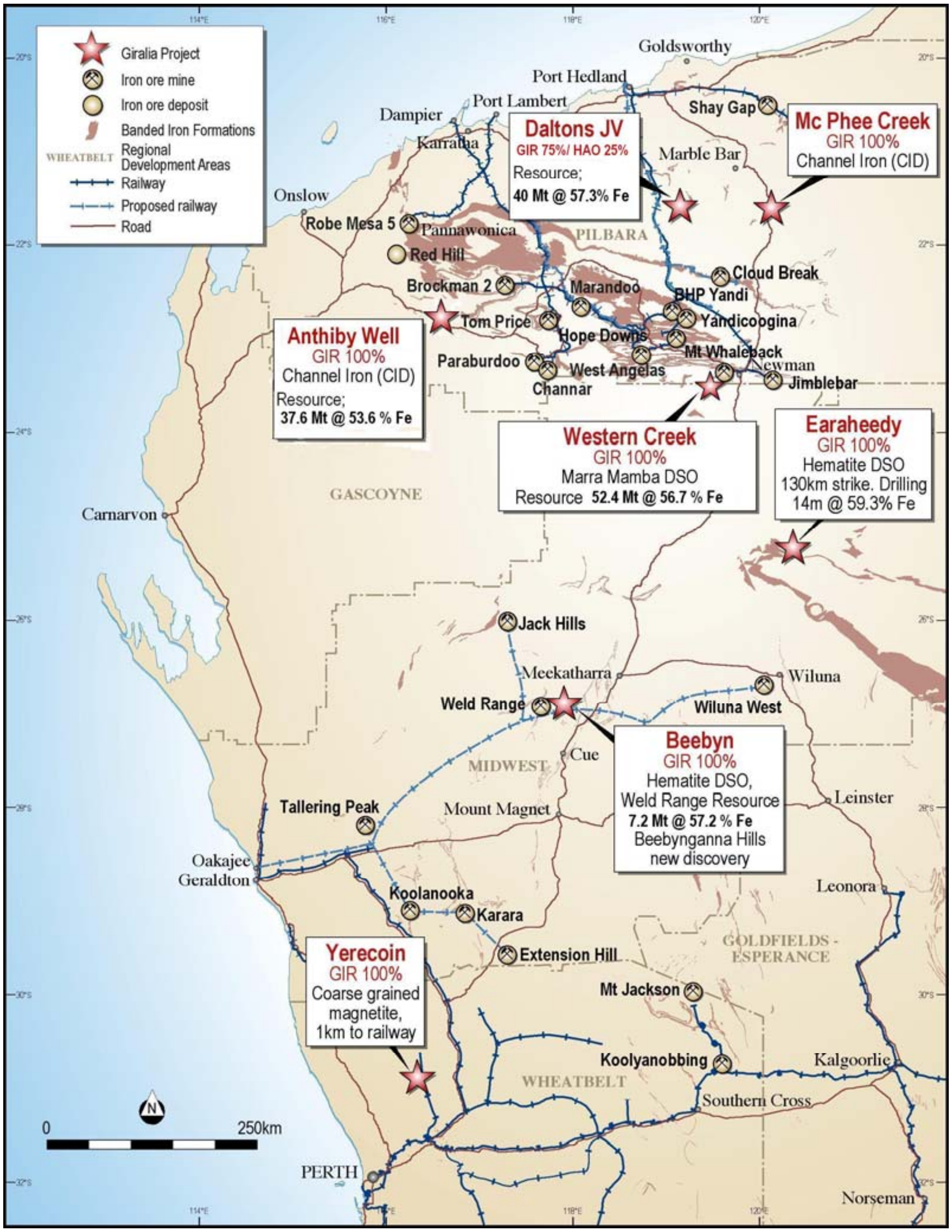
EXPLORATION

- Daltons Iron Ore Project (75%): An initial Inferred Mineral Resource of 40.0 million tonnes @ 57.3% Fe (62.3% CaFe) and 1.42% Al_2O_3 was announced after the end of the financial year for Giralia's 75% owned Mt Webber deposit at the Daltons JV 150 km south of Port Hedland. The low alumina resource is near-surface, and within road haulage distance of Port Hedland. A Scoping Study was commenced to evaluate development options. The initial 40 hole drilling program returned exciting results including; 68m @ 60.9% Fe, 0.7% Al_2O_3 from surface, and 70 metres @ 58.4% Fe from surface, including 54 metres @ 60.9% Fe, 1.5%Al_2O_3.
- Yerecoin Iron Ore Project (100%): An initial Exploration Target of 200 million to 250 million tonnes of magnetite mineralisation was defined at the Yerecoin magnetite project 150 km north of Perth. Prior to resource drill out, a Scoping Study was commissioned to review development options focused on an existing railway within 1 kilometre. A wide spaced 23 hole RC/diamond drilling program in March 2009 returned intersections including 72 metres @ 32.4% Fe and 56 metres @ 35.7% Fe. Exceptional results were returned from Davis Tube testwork; concentrate grades >71%Fe, < 1%SiO_2 and coarse grind size for magnetite liberation.
- Western Creek Iron Ore Project (100%): Giralia's near surface JORC hematite resource at Western Creek was significantly increased to 52.4 million tones@ 56.7% Fe following a 71 hole drilling program during the year. The entire resource is within 50 metres of surface, and only 15 kms from railway facilities at Newman. First pass drilling at the new Homestead prospect 10 km to the north returned results including 20 metres @ 55.2% Fe and 6 metres @ 57.3% Fe.
- Anthiby Well Iron Ore Project (100%): An initial JORC resource 37.6 million tonnes @ 53.6% Fe (59.1%CaFe) was announced within 40 metres of surface at the Anthiby Well prospect, a new discovery of channel iron (CID) mineralisation 100 km west of Paraburdoo in the Pilbara region. Drilling results from an 87 hole drilling program include 32 metres @ 55.1% Fe including 24 metres @ 56.0% Fe.
- Earaheedy Iron Ore Project (100%): Positive results were returned from a late 2008 121 hole RC drilling program at the greenfields Earaheedy iron ore project located 200km south of Newman, with significant results returned from 4 of the 8 hills drilled including; 20 metres @ 55.7% Fe, 12 metres @ 57.3% Fe (from surface), and 12 metres @ 56.1% Fe within 38 metres @ 53.6% Fe (open at end of hole). A substantial follow up program scheduled for early October 2009 will test many of the remaining 15 untested hills of high grade hematite outcrop.
- Beebyn Iron Ore Project (100%): Results from an 82 hole drilling program in late 2008, and a further 77 hole program in August 2009 confirmed extensions to the initial JORC hematite resource of 7.2 million tonnes @ 57.2% Fe at the Company's 100% owned Beebyn-Weld Range deposit in WA's Mid West with intersections including 18 metres @ 61.3% Fe and 12 metres @ 59.3% Fe. At the nearby Beebynganna Hills discovery, promising intersections of 28 metres @ 59.1% Fe and 28 metres @ 58.3% Fe were returned.
- McPhee Creek Iron Ore Project (100%): A major 139 hole drilling program was fully permitted and in progress at year end, testing an 8 km long range of bedded hematite and channel iron remnants just west of the Crescent Moon mesa for which the Company released an initial resource of 5.17Mt @ 53.6% Fe in July 2008.

INVESTMENTS/CORPORATE

Having built a multi commodity portfolio of exploration projects at the bottom of the market, Giralia now holds significant equity positions in a number of ASX listed companies as a result of spin-offs and tenement sales aimed at accelerating exploration and development activity, and extracting shareholder value.

At 30 June 2009, the Company had a total of approximately $70 million in cash on deposit and interest accruing at maturity of fixed interest deposits with terms ranging from 1 to 12 months.



Location plan showing Giralia's Western Australian iron ore projects

Investments in ASX Listed Companies

PacMag Metals Limited (ASX: PMH) sale of copper assets in November 2005; (Giralia 10.37%)

Giralia received 50 million PMH shares for the sale of copper assets to PacMag Metals Limited in November 2005. In December 2005, 40 million PMH shares were distributed in-specie to Giralia shareholders in the ratio of one PMH Share for each 3.45 Giralia shares held.

Giralia's Managing Director Mike Joyce is Non-Executive Chairman of PMH. PMH's key asset is the Ann Mason copper deposit in Nevada USA JORC compliant Inferred Resource of 810 million tonnes @ 0.40% copper and 0.004% molybdenum. During the year PMH released an initial JORC resource for its Sentinel uranium project in North Dakota.

Red Hill Iron Ltd (ASX: RHI) listed on 14 February 2006

On 1 July 2008 the Company exercised its One–off Put Option to sell its remaining 2,643,333 shares in Red Hill Iron Limited at $7.00 per share to AMCI Investments Pty Ltd ("AMCI") and Australian Coal Inter Holdings (NL) IA B.V.("ACIH").

Giralia had previously sold the first tranche of 4 million RHI shares to AMCI and ACIH at $7.00 per share, and has now sold its entire 16.8% stake in RHI.

U3O8 Limited (ASX:UTO) listed on 9 May 2006; (Giralia 15%)

U3O8 Limited was formed as a spin off of Giralia's wholly owned uranium projects, with 80% of the IPO set aside as a Priority Offer for eligible Giralia shareholders. In August 2006 Giralia holders received an in-specie distribution of 32 million UTO Shares at the ratio of one UTO share for every 4.702 Giralia shares held. Giralia Director Stan Macdonald is a Non-Executive Director of U3O8 Limited. UTO's key asset is a JORC compliant 10 million pounds (lbs) deposit of uranium (20.5 million tonnes grading 228 ppm, eU_3O_8) at its 100% owned Dawson-Hinkler Well project in Western Australia.

Giralia provided underwriting support, and took up its entitlement to shares in U3O8 Limited under a rights issue during the quarter. At the completion of the issue Giralia's stake in U3O8 Limited was 15%.

Zinc Co Australia Limited (ASX: ZNC) listed 29 May 2007; Giralia 12.24%)

Zinc Co Australia Limited listed successfully on Giralia's zinc assets. Qualifying Giralia holders received priority application rights to 80% of the IPO, along with an in-specie distribution of one ZNC share for each 4.955 GIR shares held in August 2007. Giralia retained 7,993,485 ZNC shares post distribution (12.24%), and also holds 3,996,743 listed options (ZNCO). Giralia Directors Mike Joyce and Stan Macdonald are on the Board of ZNC.

Carpentaria Exploration Limited (ASX: CAP) listed on 14 November 2007; (Giralia 10.5%)

Carpentaria Exploration Limited is a spin-off of Giralia's eastern states assets, led by former Inco and MIM executive Nick Sheard. A Priority Offer of 50% of the $7.5 million IPO was set aside for Giralia shareholders. In February 2008 Giralia completed the in specie distribution of approximately 27.2 million CAP shares to Giralia shareholders at a ratio of one CAP share for each 5.83 GIR shares held. Giralia also holds 3.4 million listed options (CAPO). Giralia Director Stan Macdonald is on the Board of CAP.

Hazelwood Resources Ltd (ASX: HAZ), sale of nickel prospect in November 2006; (Giralia 3.3%)

Hazelwood Resources Ltd issued 4 million fully paid shares to Giralia, and is earning a 70% participating interest at the Cookes Creek Western Extension JV, with Giralia free carried at 30% to decision to mine.

EXPLORATION/DEVELOPMENT ACTIVITIES

Western Creek Project (iron ore)-Giralia 100%

The Western Creek JORC iron ore resource was increased from 29.4 million tonnes to 52.4 million tonnes during the year

The Company's 100% owned Western Creek project is located within 15 kilometres of railway and train loading facilities at the town of Newman in the Pilbara Region of Western Australia, and directly adjoining the BHP Billiton Mt Newman iron-ore mining leases in the Western Ridge area. The tenement covers an area of Marra Mamba Formation outcrop, along the key Whaleback Fault. BHP Billiton's Marra Mamba formation hosted Silver Knight-Golden Flag deposit, drilled between 1989 and 1991 by a BHP led joint venture, lies immediately east of Giralia's ground.

On 11 July 2008, Giralia announced an initial Inferred Mineral Resource of **29.4 million tonnes @ 57.6% Fe** based on first pass drilling covering only ~50% of the outcropping or interpreted Marra Mamba Formation on Giralia's 100% owned Western Creek tenement.

In October 2008, the Company announced the acquisition from Royal Resources Limited ("Royal") of three tenements (E52/1604, E52/1911 and E52/1912) which directly adjoin Giralia's Western Creek project. The inclusion of mineralisation on the Royal tenements resulted in an immediate increase in the Inferred Mineral Resource to **40.7 million tonnes @ 57.3% Fe.**

On 11 March 2009 the Company reported a further increase to the Inferred Mineral Resource for the Western Creek project incorporating results from drilling in December 2008. Positive results, particularly in the North Marra Mamba zone, resulted in the substantial increase in resource in this area.

The new estimate 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 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 and 42m @ 59.1% Fe.

Western Creek Mineral Resource as at 27 February 2009

Deposit	Category	Tonnes (Mt)	Grade at Fe > 50%					
			Fe %	P %	SiO_2 %	Al_2O_3%	LOI %	S %
South Marra Mamba Zone	Inferred	20.6	58.0	0.07	5.3	3.0	8.7	0.08
North Marra Mamba Zone	Inferred	28.6	56.1	0.06	6.5	3.8	9.3	0.08
Total Marra Mamba	**Total**	**49.2**	**56.9**	**0.06**	**6.0**	**3.5**	**9.1**	**0.08**
Detrital Zones	Inferred	3.2	54.1	0.04	8.9	6.5	5.6	0.05
Overall Total >50%Fe	**Total**	**52.4**	**56.7**	**0.06**	**6.2**	**3.6**	**8.9**	**0.08**

Deposit	Category	Tonnes (Mt)	Grade at Fe > 56%					
			Fe %	P %	SiO_2 %	Al_2O_3%	LOI %	S %
Overall Total >56%Fe	**Total**	**32.6**	**58.3**	**0.06**	**4.9**	**3.0**	**8.9**	**0.09**

Deposit	Category	Tonnes (Mt)	Grade at Fe > 58%					
			Fe %	P %	SiO_2 %	Al_2O_3%	LOI %	S %
Overall Total >58%Fe	**Total**	**16.5**	**59.6**	**0.07**	**3.9**	**2.6**	**8.6**	**0.08**

Better intersections from a 71 hole (4062 metres) RC drilling program completed at Western Creek in December 2008 included 36 metres @ 58.0% Fe from 16 metres depth including 18 metres @ 60.7% Fe, and 22 metres @ 58.7% Fe from 6 metres depth including 14 metres @ 60.3%Fe.

First pass drilling was also completed at the "Homestead" prospect around 10 kilometres north of the Western Creek Mineral Resource.

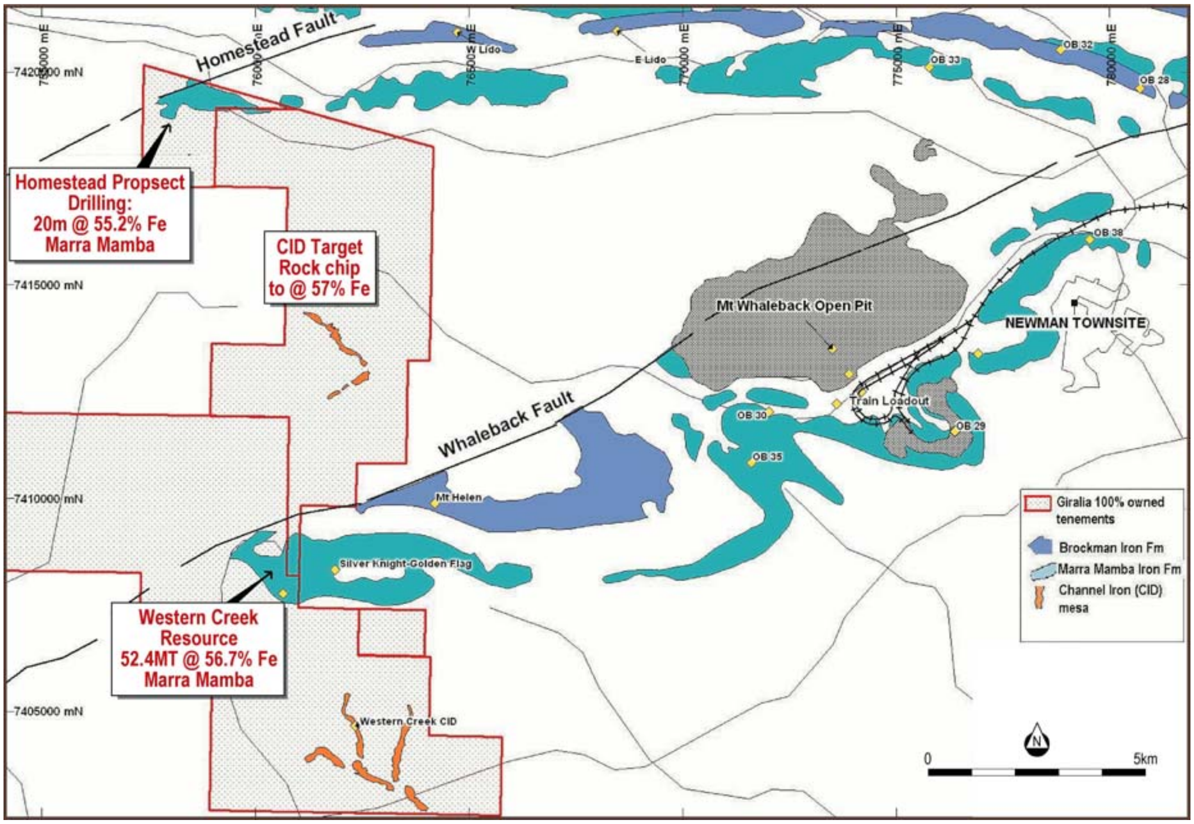
Better intersections include 20 metres @ 55.2% Fe, 14 metres @ 55.5% Fe and 8 metres (EOH) @ 56.1% Fe in the Marra Mamba Formation

Further drilling is planned to test the Homestead prospect along with Channel Iron Deposit ("CID") targets, following interpretation and field verification of a detailed aeromagnetic survey flown late in the year over the Western Creek and Homestead prospects.

Western Creek December 2008 Selected RC Drilling Results > 4metres @ 50%Fe

Hole No	Coordinates East	Coordinates North	Dip	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	P %	Al2O3 %	LOI
RCWC107	760658	7408456	-90	60	**0**	**28**	**28**	**57.4**	0.07	2.9	8.30
				incl.	**6**	**28**	**22**	**58.7**	0.07	2.1	7.90
RCWC111	760475	7408539	-90	60	**4**	**40**	**36**	**55.9**	0.05	3.5	9.84
				incl.	**18**	**38**	**20**	**57.5**	0.06	2.5	10.43
RCWC112	760412	7408600	-90	72	**0**	**46**	**46**	**55.3**	0.05	5.2	7.88
				incl.	**14**	**46**	**32**	**56.4**	0.07	4.3	9.87
RCWC116	760233	7408707	-90	60	**12**	**48**	**36**	**58.0**	0.06	3.4	9.20
				incl.	**16**	**46**	**30**	**59.1**	0.05	2.8	8.97

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 (±5m). 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).



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

Daltons Joint Venture (iron ore, nickel) – Giralia 75%

An exciting new discovery of near surface iron ore was made at Mt Webber, within trucking distance of Port Hedland.

Giralia holds a 75% interest at the Daltons nickel Joint Venture with Haoma Mining NL (25% interest), located 150 kilometres south of Port Hedland in the Pilbara region of Western Australia. Haoma retains rights to gold/silver and tin/tantalum mineralisation.

Initial RC drilling completed in August 2009 (40 holes/ 3438 metres) at the the Mt Webber iron ore prospect defined a substantial zone of strong hematite, directly adjoining Atlas Iron Limited's ("Atlas") Mt Webber prospect. Atlas recently reported an initial resource estimate of 32.62 million tonnes @ 57.3% Fe on its tenement at Mt Webber.

Critically the Mt Webber deposit is located close to port, road and rail.

Results reported from the main southern hill on the Giralia/Haoma Daltons JV tenements include; 70 metres @ 58.4% Fe from surface , including 54 metres @ 60.9% Fe, 1.5%Al_2O_3, 52 metres @ 60.5% Fe 1.3% Al_2O_3 from 4 metres depth, and 60m @ 58.6% Fe from surface, including 44m @ 60.1% Fe, 1.7% Al_2O_3 and 68m @ 60.9% Fe, 0.7% Al_2O_3 from surface.

The low alumina mineralisation starts at or near surface, and appears to be a flat lying hematite-goethite enrichment cap up to 70 metres thick. Additionally, drilling of the smaller northern hill returned results including 16 metres @ 58.5% Fe, and 34 metres @ 55.1% Fe.

An initial resource estimate was commissioned incorporating all drilling data from this first drill phase (see below) and a scoping level mining study has commenced to investigate development options.

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 %	SiO2 %	Al2O3 %	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).

Further rock sampling and mapping of areas of hematite potential within the Daltons JV's 30 kilometres of known iron formation outcrop will be carried out to establish targets for resource growth, particularly immediately north of the Atlas Iron resource on the western range at Mt Webber.

Selected Intersections Mt Webber RC drilling May-August 2009												
Hole No	Coordinates East MGA94_50	North	Dip/Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe (%)	P (%)	SiO2 (%)	Al2O3 (%)	LOI
RCDW014	739779	7618249	60/90	87	0	34	34	55.1	0.06	9.4	3.6	7.9
RCDW016	739575	7618300	90/-	112	0	16	16	58.5	0.08	5.0	1.8	7.3
RCDW017	738861	7617251	60/90	76	2	34	32	58.4	0.05	6.8	1.7	7.4
RCDW018	738953	7617244	60/90	88	0	58	58	58.3	0.11	4.4	1.9	9.4
				incl.	6	56	50	59.6	0.11	3.1	1.4	9.2
RCDW019	739050	7617249	60/90	88	0	82	82	55.1	0.07	8.9	1.8	8.9
				incl.	16	66	50	57.9	0.07	5.6	1.8	8.5
RCDW020	739156	7617245	60/90	106	14	66	52	58.7	0.11	3.2	1.7	10.2
RCDW021	739260	7617247	60/90	118	0	60	60	58.6	0.10	6.1	1.7	7.8
				incl.	14	58	44	60.1	0.11	3.6	1.7	8.4
RCDW022	739307	7617348	60/90	100	0	70	70	58.4	0.09	6.7	1.6	7.4
				incl.	16	70	54	60.9	0.10	3.2	1.5	7.7
RCDW026	739334	7617446	60/90	130	4	56	52	60.5	0.10	4.9	1.3	7.2
				incl.	8	56	48	61.3	0.10	3.9	1.3	7.2
RCDW027	739265	7617445	60/90	124	4	52	48	59.2	0.1	5.4	1.5	7.5
				and.	84	104	20	58.4	0.03	8.5	0.4	6.1
RCDW029	739160	7617447	-60/90	106	0	34	34	59.2	0.08	5.9	1.0	7.5
RCDW032	738952	7617459	-60/90	124	10	48	38	58.6	0.07	6.6	1.5	7.3
RCDW036	739311	7617672	-60/90	124	0	68	68	60.9	0.09	3.7	0.7	7.8
RCDW038	739183	7617682	-60/90	76	4	42	38	58.3	0.10	4.8	0.6	10.2
RCDW040	739009	7617558	-60/90	118	0	64	64	55.6	0.09	9.9	1.5	7.8
				incl.	20	50	30	60.1	0.1	4.0	1.0	7.8

RC drill samples collected as 2m composites. Intersections quoted using lower cut-offs of 50% Fe. All coordinates in MGA Zone 50 GDA 94, by hand held GPS (± 5m). XRF analyses by Spectolab Laboratory Geraldton. QA/QC included typically field duplicate samples and two standards (Certified Reference Material).

Daltons JV Nickel Sulphide exploration

The Kingsway prospect at Daltons comprises a 400 metre long basal contact segment at the of the 5 kilometre long Daltons ultramafic body. Two reported 1970s drill intersections of 0.9 metres @ 9.3% nickel, 3.6% copper, (within 3.5 metres @ 2.55% nickel, 1.2% copper), and 0.7 metres @ 11.8% nickel, 3.1% copper, (within 3.7 metres @ 2.41% nickel, 0.61% copper) have been followed up, with significant Giralia drill intersections including 3.5 metres @ 1.61% nickel, 0.85% copper, 0.81 grams per tonne platinum group elements("PGE"), and 0.15 metre @ 5.82% nickel, 1.41% copper, 1.35 grams per tonne PGE. There was no work during the year on nickel targets.

Daltons JV Mt Webber iron ore prospect looking south.

Earaheedy Project (Iron Ore)- Giralia 100%

Thick zones of hematite were intersected in late 2008 drilling at the greenfields Earaheedy iron ore project.

Giralia's 100% owned tenements cover 570 square kilometres, of the Miss Fairbairn Hills in the northern Earaheedy Basin, 100 km north of Wiluna, and 200 km south of Newman in Western Australia.

Giralia was the early mover in this new, high potential iron ore province which is thought to be the second largest accumulation of iron formations (the host to bedded iron ore deposits) in Australia, reported to contain in total over 500 strike kilometres of thick (up to 500 metres) iron formations.

The Company's 100% owned tenements cover 130 strike kilometres of the most iron-ore prospective areas defined by past exploration work in the late 1970s, principally by Amax Exploration (Australia) Inc. ("Amax"), which resulted in the location of widespread areas of hematite enrichment. A small program of shallow drilling by Amax (only 652 metres of drilling in total, average hole depth 23 metres) returned intersections of 22 metres @ 56.5% Fe including 14 metres @ 59.3% Fe, and 4 metres (to end of hole) @ 60.4% Fe, in the Miss Fairbairn Hills, now wholly on Giralia's tenements.

Importantly the Earaheedy iron formations are shallowly dipping, providing the opportunity for large tonnages.

A 121 hole (7657 metres) RC drilling program was completed in October-November 2008 to test for direct shipping iron ore beneath widespread hematite outcrops.

The 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%

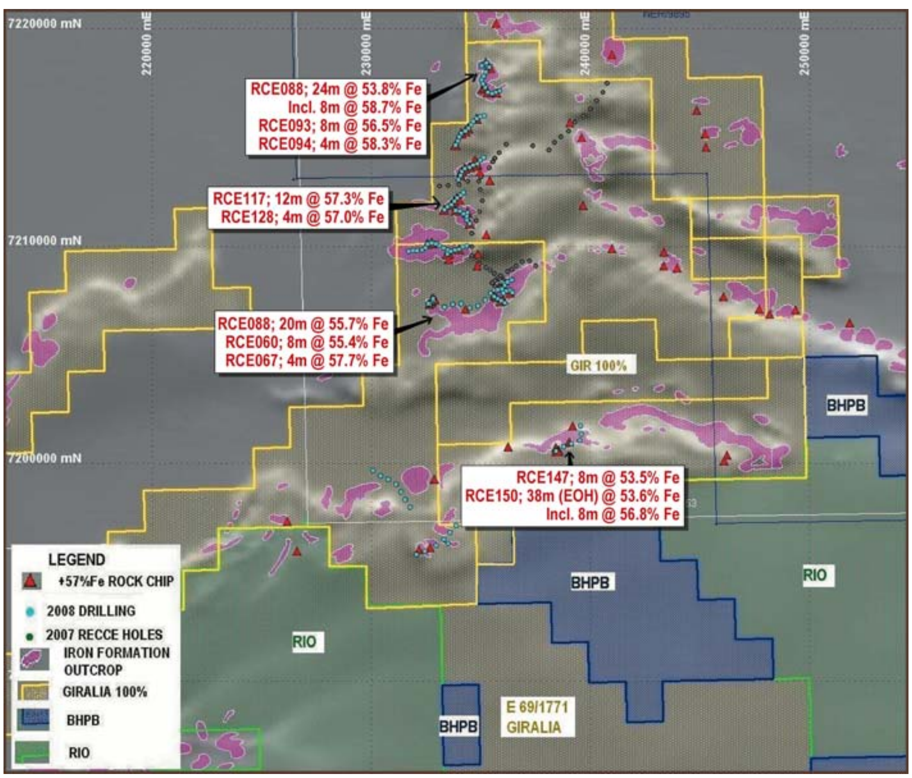
Fe, 12 metres @ 57.3% Fe from surface and 38 metres to end of hole @ 53.6% Fe, including 8 metres @ 56.8% Fe.

Of the 8 hills tested in this initial program, significant intersections of hematite were recorded at shallow depths from 4. 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 natural land surface.

Earaheedy Project October-November 2008 Selected RC Drilling Results >4 metres @ 50% Fe

Hole No	Coordinates East	North	Dip/Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	P %	S %	Al2O3 %	LOI %
RCE047	232898	7207583	-90	65	20	40	**20**	**55.7**	0.04	0.06	5.2	5.4
				and	52	60	8	53.6	0.05	0.01	4.6	4.8
RCE060	234997	7207440	-90	84	56	64	**8**	**55.4**	0.18	0.01	10.8	3.0
RCE088	235520	7218396	-90	60	0	24	**24**	**53.8**	0.04	0.04	5.7	5.2
				incl	4	12	**8**	**58.7**	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	**4**	**55.2**	0.04	0.04	4.2	4.7
RCE093	235318	7218578	-90	66	4	12	**8**	**56.5**	0.03	0.06	5.1	3.6
RCE094	235174	7218486	-90	54	0	4	**4**	**58.3**	0.05	0.03	7.6	2.8
RCE117	234049	7212382	-90	72	0	12	**12**	**57.3**	0.04	0.03	3.4	4.2
RCE128	234621	7211198	-90	66	0	4	**4**	**57.0**	0.05	0.04	3.7	3.3
RCE150	238914	7200936	-90	54	**16**	**54**	**38(EOH)**	**53.6**	0.26	0.05	5.0	7.8
				incl.	**32**	**40**	**8**	**56.8**	0.19	0.01	3.5	6.6

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 (±5m). XRF analyses by Spectolab Laboratory Geraldton. . QA/QC included typically field duplicate samples and two standard (Certified Reference Material),.



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

Drilling is scheduled to recommence in early October 2009 with all permitting approvals in place for a 128 hole drilling program 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. Flora surveys and Aboriginal heritage surveys were completed and the permitting process involved additional steps, including public advertising for clearing of native vegetation, due to partial overlap of a proposal first put forward in 1974 for a 'C' Class Conservation Park centred on the Carnarvon Range, around 30 kilometres east of the Miss Fairbairn Hills.

Yerecoin Iron Ore Project – (Giralia 100%)

An Exploration Target of 200 to 250 million tonnes of magnetite was established at Yerecoin.

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 on wooded hills within cultivated paddocks.

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, where 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.

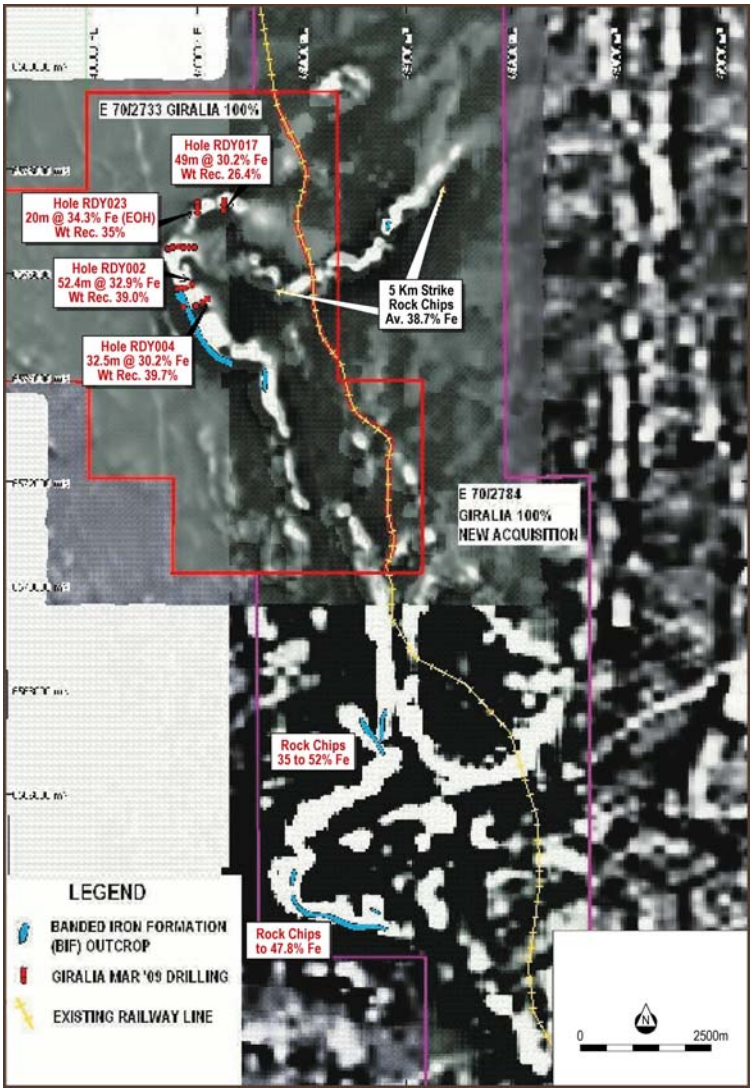
Davis Tube Recovery ("DTR") tests indicate that mineralisation at Yerecoin has exceptionally favourable magnetic separation liberation characteristics, likely to enable a premium product with DTR concentrate grades in excess of 71% Fe, with very low silica (<1% SiO_2), at a grind size much coarser than many other Western Australian magnetite projects.

February-March 2009 Drilling Yerecoin Project Intersections >20% Fe

Hole No	Type	Depth	Precollar	East	North	incl	azim	From	To	Intersection	Fe%
RCY001	RC	113		439764	6575714	-60	250	24	96	**72**	**32.4**
							incl	24	80	**56**	**35.7**
RDY002	DDH	274	83	439897	6575781	-60	250	188.64	241.08	**52.44**	**31.6**
RDY004	DDH	156.2	131	439974	6575372	-60	250	100	136.8	**36.8**	**30.5**
RCY016	RC	71		440499	6577315	-60	360	24	60	**36**	**29.6**
RDY017	DDH	189.3	101	440498	6577197	-60	358	60	176.26	**116.26**	**21.7**
							incl	60	110.6	**50.6**	**30.2**
RCY020	RC	37		439998	6577159	-60	4	12	28	**16**	**33.2**
RCY021	RC	65		440198	6575497	-60	251	52	65eoh	**13**	**31.4**
RCY022	RC	60		440002	6577162	-80	180	12	42	**30**	**28.9**
RCY023	RC	60		439764	6575710	-90	0	42	60eoh	**18**	**34.9**

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

GIRALIA RESOURCES NL



Yerecoin 2009 drill hole locations on aeromagnetic image

Yerecoin sighter DTR results on unoxidised pulp samples with original grade >30%Fe

Hole	Fr (m)	To (m)	original Fe%	DTR Fe%conc	DTR SiO2%	DTR Al2O3%	DTR P%	DTR S%	Weight Recovery%
RCY001	60	64	30.03	**71.35**	1.76	0.32	0.006	0.005	**33.56**
RCY004	104	108	36.86	**72.32**	0.86	0.14	0.001	0.001	**49.98**
RCY016	44	48	38.57	**71.58**	1.38	0.14	0.003	0.002	**49.78**
RCY017	60	64	34.16	**71.35**	1.47	0.23	0.007	0.001	**40.52**
RCY017	80	84	32.77	**69.56**	2.94	0.55	0.005	0.004	**39.04**
RDY002	192	194	37.81	**70.81**	2.14	0.12	0.003	0.001	**44.9**
RDY002	215	217	31.8	**70.69**	2.02	0.26	0.004	0.001	**40.52**

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.

Grind optimisation testwork indicates that the Yerecoin mineralisation has very favourable liberation characteristics.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_2 was returned.

Grind size	Wt. recovery %	Fe%	SiO_2%
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_2. P80 38 microns = 80% passing size

The Company reported an initial Exploration Target* at Yerecoin 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.

In May 2009 the Company significantly expanded the Yerecoin project with the acquisition of key adjoining ground from Polaris Metals NL ("Polaris") Resulting in an increase to in excess of 30 kilometres of strike of outcropping and magnetically interpreted banded iron formation (BIF) at the expanded 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.

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 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.*

Beebyn Project (iron ore)—Giralia 100%

The best intersections to date were returned from the new Beebynganna Hills discovery just south of the Weld Range.

Giralia's 100% owned Beebyn project is located in the emerging MidWest iron ore province of Western Australia. Importantly, third party access rail infrastructure is proposed right to Giralia's "doorstep". The Company noted with interest the confirmation late in the year that the Australian and WA State Governments have jointly committed $678 million toward construction of the Oakajee port.

The "Beebyn-Weld Range" prospect comprises a 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 drilling to date of only the western 3 kilometres of the Company's 100% owned 6 kilometre long segment of the Weld Range.

Giralia Resources Beebyn-Weld Range Area; Initial Inferred Resource							
Cut-off gde	**Tonnes***	**Fe%**	**P%**	**LOI%**	**SIO2%**	**AL2O3%**	**Density**
54 % Fe	6.1 million	58.0	0.072	5.10	7.60	2.85	3.0
50 % Fe	7.2 Million	57.2	0.074	5.24	8.36	3.04	3.0

** Rounded to nearest 100,000 Tonnes.*

At the "Beebynganna Hills" prospect, an 11 kilometre long iron formation range located just south of the Weld Range, 7 previously untested outcropping zones of hematite have been discovered by Giralia geologists.

An 82 hole program of RC drilling was completed in August-September 2008 to test 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.

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

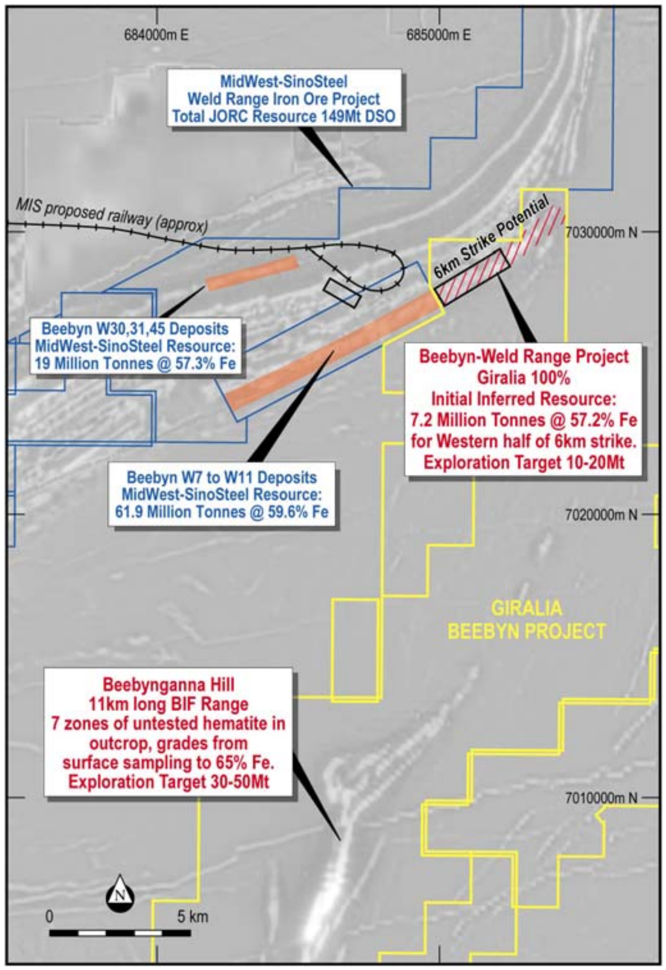
Results from the initial drilling at Beebynganna Hills were also encouraging, with several intersections of hematite mineralisation recorded, including 10 metres @ 57.7% Fe and 6 metres @ 61.8% Fe. Additionally several holes into the eastern most iron formation intersected thick continuous zones of magnetite rich banded iron formation including hole RCBH042, which returned 108 metres @ 35.2% Fe from surface to end of hole. DTR testwork is planned to establish beneficiation characteristics.

A further 77 hole/ 6724 metre RC drilling program was completed in August 2009. The follow up 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 further resource extensions on the Weld Range; 18 metres @ 61.3% Fe.

Selected intersections from the 2008 and 2009 drill programs at Beebynganna Hills (RCBH prefix) and Weld Range (RCB prefix) are shown below;

Beebyn August 2008 and 2009, Selected RC Drilling Results										
Hole No	**Coordinates East**	**North**	**Dip/Az**	**Depth (m)**	**From (m)**	**To (m)**	**Interval (m)**	**Fe %**	**P %**	**LOI**
RCBH015	581242	7008517	-55/279	114	34	44	**10**	**56.6**	0.03	2.8
				incl	34	40	**6**	**60.0**	0.03	2.3
RCBH021	581493	7008254	-70/122	90	20	30	**10**	**57.7**	0.01	2.8
				incl	22	26	**4**	**60.8**	0.01	2.0
RCBH024	581483	7008050	-55/285	78	48	54	**6**	**61.8**	0.08	2.7
RCBH081	581041	7006631	-50/260	66	0	14	14	55.3	0.06	3.5
				and	26	32	6	53.1	0.09	3.8
RCBH099	580412	7005465	-60/275	102	94	100	**6**	**58.6**	**0.03**	**2.4**
RCBH102	580450	7005556	-60/280	126	**80**	**108**	**28**	**59.1**	**0.02**	**3.0**
RCBH103	580411	7005557	-90/-	96	**28**	**52**	**24**	**58.3**	**0.03**	**2.4**
				incl.	**36**	**52**	**16**	**61.1**	**0.03**	**2.3**
RCB051	585176	7028313	-50/321	90	30	34	**4**	**59.9**	0.15	7.1
				and	84	90 (EOH)	**6**	**59.0**	0.02	3.0
RCB065	585932	7028772	-50/323	84	38	42	**4**	**58.7**	0.10	6.1
				and	60	72	**12**	**59.3**	0.10	6.3
RCB081	584884	7028200	-50/338	83	**8**	**22**	**14**	**56.3**	**0.04**	**6.4**
				incl.	**14**	**20**	**6**	**59.1**	**0.09**	**5.9**
				and	**58**	**76**	**18**	**55.5**	**0.12**	**7.5**
RCB089	585918	7028780	-50/330	83	**60**	**78**	**18**	**61.3**	**0.09**	**4.6**
RCB093	586845	7029186	-50/150	84	50	54	**4**	**61.1**	**0.09**	**4.6**

Intersections quoted using lower cut-offs of 50% and 55% Fe. All coordinates in MGA Zone 50 GDA 94, by DGPS (± 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 grey scale aeromagnetic image with prospect locations

Anthiby Well Iron Ore Project – (Giralia 100%)

A new channel iron (CID) resource was discovered at Anthiby Well.

The Company's 100% owned 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. Giralia has resumed 100% interest at Anthiby Well in return for a production royalty.

An RC drilling program of 87 holes (2644 metres) was completed in mid December 2008 to test several mesas of pisolitic iron ore mineralization on an approximately 200 metre by 100 metre pattern. The mineralisation commences at or very near the natural land surface, to a maximum depth of approximately 40 metres.

Results from the western mesas in particular are encouraging, with thick zones of CID mineralisation intersected. 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.

On 27 March 2009 the Company reported an initial Inferred Mineral Resource of 37.6 million tonnes @ 53.6% Fe for Anthiby Well.

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

Anthiby Well Project December 2008 RC Drilling Results >10m @ 50% Fe, or > 4m @ 55%Fe											
Hole No	Coordinates East	Coordinates North	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	CaFe %	P %	LOI %	Al2O3 %
RCMW003	476149	7473794	24	**0**	**8**	**8**	**56.3**	**60.9**	0.03	7.59	3.8
RCMW063	468202	7475696	30	**4**	**22**	**18**	**55.2**	**60.8**	0.04	9.24	4.3
			incl.	**8**	**18**	**10**	**56.2**	**61.2**	0.03	8.13	4.5
RCMW076	468853	7475810	48	0	40	40	54.2	**59.4**	0.04	8.80	5.2
			incl.	**6**	**28**	**22**	**56.3**	**60.9**	0.04	7.50	4.3
RCMW077	468935	7475826	42	**2**	**34**	**32**	**55.1**	**61.1**	0.04	9.76	5.1
			incl.	**4**	**28**	**24**	**56.0**	**61.6**	0.04	9.14	4.9
RCMW079	468758	7475988	48	6	38	32	53.5	**59.0**	0.04	9.32	5.3
			incl.	**14**	**28**	**14**	**55.6**	**61.1**	0.04	9.03	4.4
RCMW080	469047	7475996	42	0	38	38	53.6	**59.2**	0.04	9.44	5.4
			incl.	**8**	**24**	**16**	**55.8**	**61.2**	0.04	8.81	4.3
RCMW081	468953	7476007	48	8	42	34	53.9	**59.5**	0.04	9.41	5.3
			incl.	**16**	**32**	**16**	**55.9**	**61.2**	0.04	8.68	4.4
RCMW082	468852	7476004	48	2	36	34	54.6	**60.2**	0.04	9.37	4.7
			incl.	**10**	**30**	**20**	**55.6**	**61.2**	0.04	9.13	4.4
RCMW084	468703	7476205	42	0	26	26	54.6	**60.6**	0.04	9.86	5.2
			incl.	**0**	**18**	**18**	**56.2**	**61.9**	0.04	9.27	4.4
RCMW086	468599	7476396	30	**0**	**18**	**18**	**55.2**	**61.3**	0.04	9.99	4.8

RC drill samples collected as 4 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 51 GDA 94, by hand held GPS (±5m. XRF analyses by Spectolab Laboratory Geraldton. EOH = open at end of hole. QA/QC included typically field duplicate samples and two standard (Certified Reference Material). All holes vertical. Calcined Iron grade (CaFe) is a measure of iron content upon removal of volatiles (i.e. LOI).

Giralia Resources - Anthiby Well Iron Ore Project - Mineral Resource Estimate									
Anthiby Well Channel Iron Deposits (CID) as at 23 March 2009 (Fe Grade Cutoff >=50 %)									
Deposit	Category	Tonnes (Mt)	Fe %	P %	SiO2 %	Al2O3 %	LOI %	S %	CaFe%
Western Mesas	Inferred	25.4	54.0	0.04	6.5	5.0	9.6	0.02	59.7
Eastern Mesas	Inferred	12.2	52.8	0.03	9.5	4.5	8.7	0.02	57.8
Total CID	**Inferred**	**37.6**	**53.6**	**0.04**	**7.5**	**4.8**	**9.3**	**0.02**	**59.1**
Anthiby Well Siliceous Channel Iron Deposits (SCID) as at 23 March 2009 (Fe Grade Cutoff >=40 % <50 %)									
Deposit	Category	Tonnes (Mt)	Fe %	P %	SiO2 %	Al2O3 %	LOI %	S %	CaFe%
Total SCID	Inferred	25.9	45.9	0.03	14.4	7.2	10.2	0.01	51.1
Anthiby Well combined CID and SCID as at 23 March 2009 (Fe Grade Cutoff >=40 %)									
Deposit	Category	Tonnes (Mt)	Fe %	P %	SiO2 %	Al2O3 %	LOI %	S %	CaFe%
Combined Total	**Inferred**	**63.5**	**50.5**	**0.03**	**10.3**	**5.8**	**9.6**	**0.02**	**55.8**

CID=channel iron deposit based on lower Fe cut-off of 50%, SCID= siliceous channel iron deposit based on lower Fe cut-off of 40%.

McPhee Creek Project (Iron Ore) - Giralia 100%

Giralia's wholly owned McPhee Creek tenement lies 220 kilometres south east of Port Hedland, and 50 kilometres north of BC Iron Limited's Bonnie Creek channel iron deposit ("CID").

Initial drilling in April 2008 by Giralia at McPhee Creek comprised 43 shallow RC holes testing the central 1.4 kilometre section of the main "Crescent Moon" CID mesa. Drill intersections from surface included 12 metres @ 56.1 % Fe, 10 metres @ 57.2% Fe, 14 metres @ 55.9% Fe.

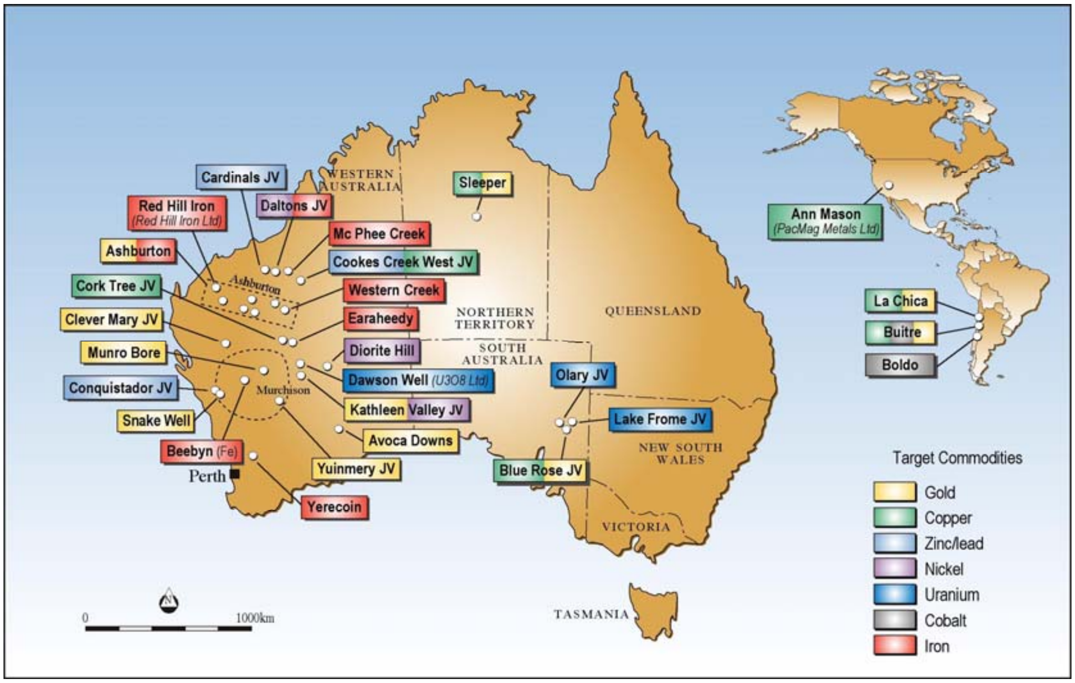
An initial resource JORC estimate of 5.17 million tonnes @ 53.6 % Fe (60.4% CaFe) was reported last year for the central portion of the Crescent Moon mesa drilled.

Helicopter supported rock chip sampling and mapping in July 2008 focussed on another major zone of unexplored iron ore potential evident as an 8 kilometre long range to the west of the Crescent Moon mesa that trends north west through the tenement.

Results from sampling were encouraging with 36 of 69 rock samples returning potentially DSO grades (>57% Fe) along the range which comprises partially CID capped bedded Archaean aged BIF with strong hematite iron ore mineralisation evident over substantial strike lengths. Further rock sampling in May 2009 confirmed high grade bedded hematite with grades to 60.6% Fe and low alumina.

All permitting approvals are in place for a 139 hole drilling program to test these targets.

OTHER PROJECTS



Giralia's project locations, also showing key projects of spin off companies

Lake Frome Joint Venture (uranium)-Giralia 25% free carried interest

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%.

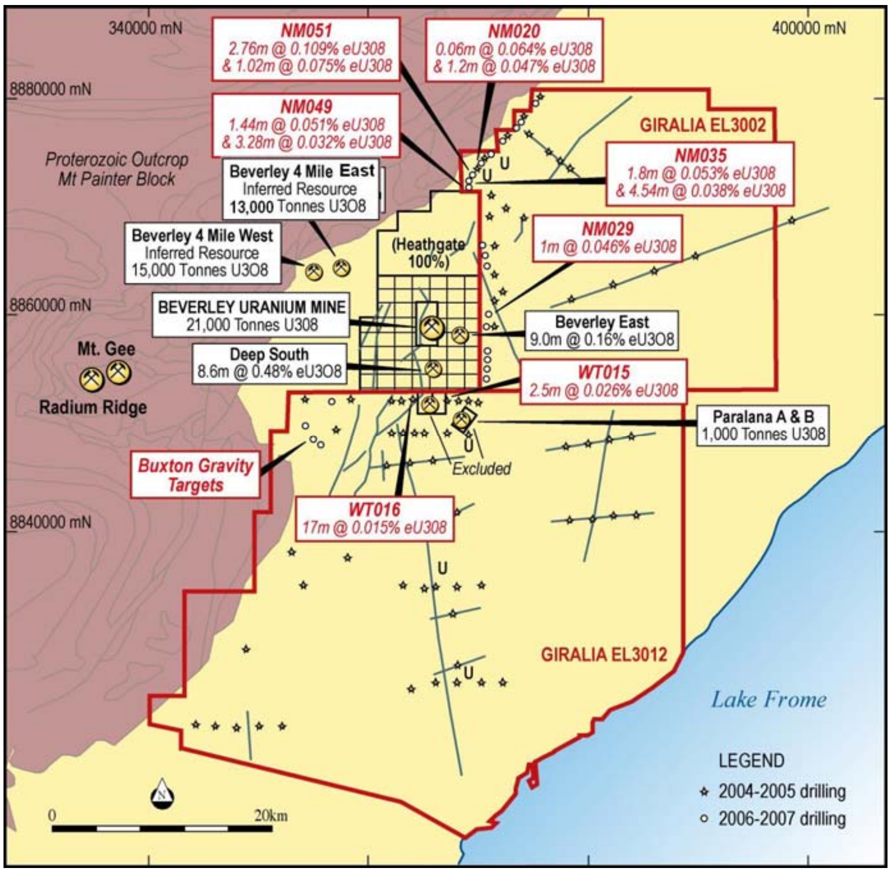
On the North Mulga tenement, several previous drill holes have reported significant intersections including 2.76 metres @ 0.109 % eU_3O_8, (from 159.84 to 162.6 metres), and 3.76 metres @ 0.038 % eU_3O_8 (from 168.22 to 171.98 metres) in hole NM051. Follow up drilling in the September 2008 quarter returned intersections including 1.09 metres @ 0.095 % eU_3O_8, and 0.87 metres @ 0.119 % eU_3O_8.

Heathgate reports that 6 rotary mud holes for 1378 metres of a total of 20 planned holes were drilled during the December 2008 quarter before heavy rainfall limited access on the southern tenement (Wooltana). Of the 6 holes only 3 were successfully run with downhole geophysical logs due to hole blockages. Several sand packages were intersected however no anomalous gamma was reported.

Heathgate reports 2002 Tempest EM data was reviewed and reinterpreted during the quarter, and that gravity geophysical surveys commenced late in the quarter on the JV tenements.

Heathgate affiliate Quasar Resources Pty Ltd has reported a high-grade uranium discovery at Beverley Four Mile (in a JV with Alliance Resources Limited on similar terms to those that apply to Giralia's Lake Frome JV). On 24 June 2009 Alliance reported a total resource of 8 million tones @ 0.35% U3O8 at Four Mile, which is located just west of the Beverley Mine, in a small segment of the prospective Frome Basin not covered by Giralia's Lake Frome JV tenements. On 14 July 2009 Alliance announced that the Australian Government had approved the Four Mile Uranium Mine with production scheduled to commence in 2010.

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.



Lake Frome JV summary plan

"eU_3O_8"-refers to the equivalent U_3O_8 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 Project (gold)- Giralia 100% of gold rights

The Company's advanced gold project at Snake Well is located in the Western Murchison Province, 450 kilometres north of Perth in Western Australia. The project covers an area of approximately 300 square kilometres and includes control of over 45 kilometres of strike of an undeveloped gold camp in the Archaean Tallering greenstone belt.

Gold resources at Snake Well comprise 170,000 ounces within 2.85 million tonnes @ 1.8 grams per tonne gold at Snake Well, in lode mineralisation and near surface laterite hosted mineralisation.

Identified Mineral Resources

SNAKE WELL PROJECT – IDENTIFIED MINERAL RESOURCES

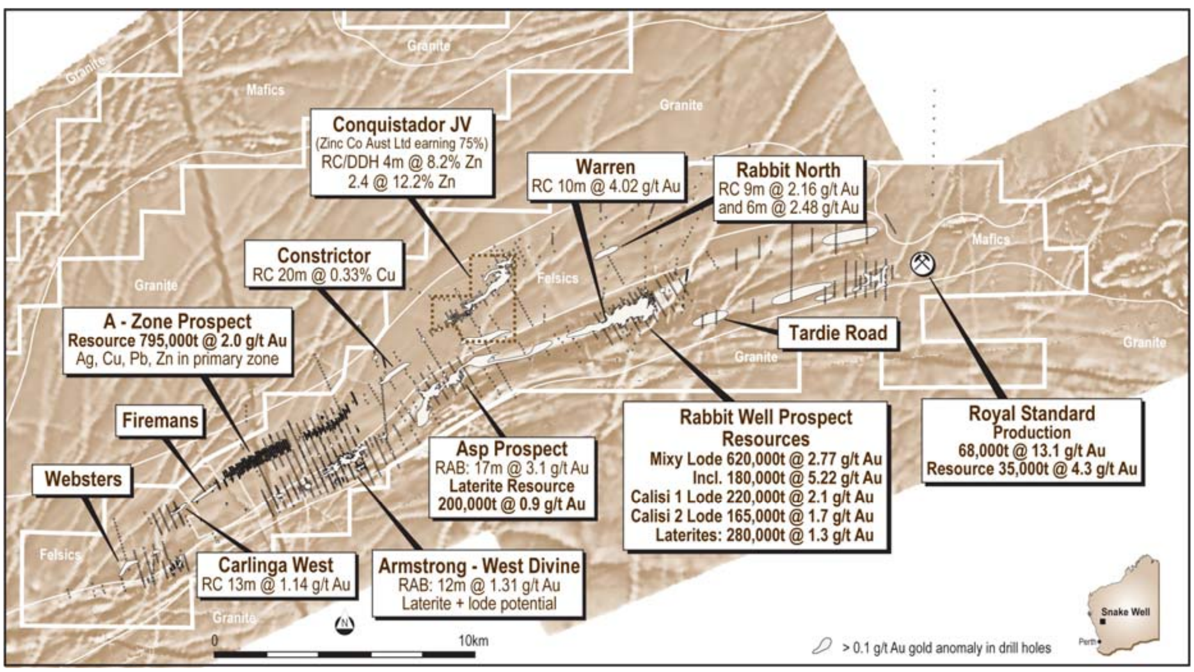
Lodes

DEPOSIT	CUT OFF	INDICATED		INFERRED		TOTAL	
		Tonnes	Grade g/t gold (cut)	Tonnes	Grade g/t gold (cut)	Tonnes	Grade g/t gold (cut)
A-zone	0.5	770,000	2.0	25,000	1.9	795,000	2.0
Mixy	1.0	550,000	2.79	70,000	2.58	620,000	2.77
Calisi 1	0.5	-	-	220,000	2.1	220,000	2.1
Calisi 2	0.5	-	-	165,000	1.7	165,000	1.7
Royal Standard	1.0	-	-	35,000	4.3	35,000	4.3
Total Lodes						**1,834,000**	**2.3**

Laterites

DEPOSIT	CUT OFF	INDICATED		INFERRED		TOTAL	
		Tonnes	Grade g/t gold (cut)	Tonnes	Grade g/t gold (cut)	Tonnes	Grade g/t gold (cut)
Lop	0.5	460,000	0.9	-	-	460,000	0.9
Buckshot	0.5	150,000	0.8	-	-	150,000	0.8
Warren	0.5	-	-	130,000	0.9	130,000	0.9
Asp	0.5	-	-	200,000	0.9	200,000	0.9
1080	0.5	-	-	95,000	0.8	95,000	0.8
Total Laterites						**1,035,000**	**0.9**
Overall Totals:						**2,846,900**	**1.8**
Contained Gold:						**170,000 ounces**	

Note:Tonnages, grades, and ounces rounded.



Snake Well prospect locations on grey scale aeromagnetic image

Mafic rocks host the major Rabbit Well anomaly in the south of the project area which hosts gold mineralisation associated with shearing, porphyry intrusives and quartz veining (Mixy and Calisi lodes), along with widespread gold in near surface lateritic gravels (Lop, Buckshot, Warren and 1080 deposits). The Asp anomaly, 6 kilometres west of Rabbit Well, also hosts shallow lateritic mineralisation and lode targets. The mafic schist hosted Royal Standard lode at the eastern end of the tenement package produced approximately 68,000 tonnes of ore at a recovered grade of 13.1 grams per tonne ("g/t") gold between 1897–1937, from underground mining to a depth of only 75 metres below surface, which remains the only recorded gold production from the belt.

A felsic sequence in the north of the greenstone belt at Snake Well hosts a gold resource with copper lead zinc and silver credits (A-Zone), and the Conquistador, Constrictor and Rabbit North prospects.

Gold Exploration Activity- Giralia 100% interest

The Company continued discussions with parties interested in joint development of the Snake Well gold project. Additionally the Company funded Working Group meetings 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 tenements surrounding the Conquistador 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 over the expanded farm-in area.

The JV area now covers 45 strike kilometres of volcanic rocks in the Tallering 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% zinc, 20.5 g/t silver, 0.53% copper and 0.63% lead from 88 metres and 6.7 metres @ 6.1% zinc including 2 metres @ 18% zinc from 118 metres at Conquistador, and 1 metre @ 4.90% zinc, 14.0 g/t silver, 0.51% copper, 0.90% lead and 5.63 g/t gold from 154 metres, and 2.1 metres @ 2.34% zinc, 13.5 g/t silver, 0.69 % copper, 0.22 % lead and 1.81 g/t gold from 131.4 metres from A-Zone.

Zinc Co report that assays were received for 18 RAB holes (980 metres) completed in June 2008 to identify the source of gradient IP anomalies. Five holes returned anomalous zinc values greater than 400 ppm from bottom hole samples with a maximum value of 1660 ppm zinc.

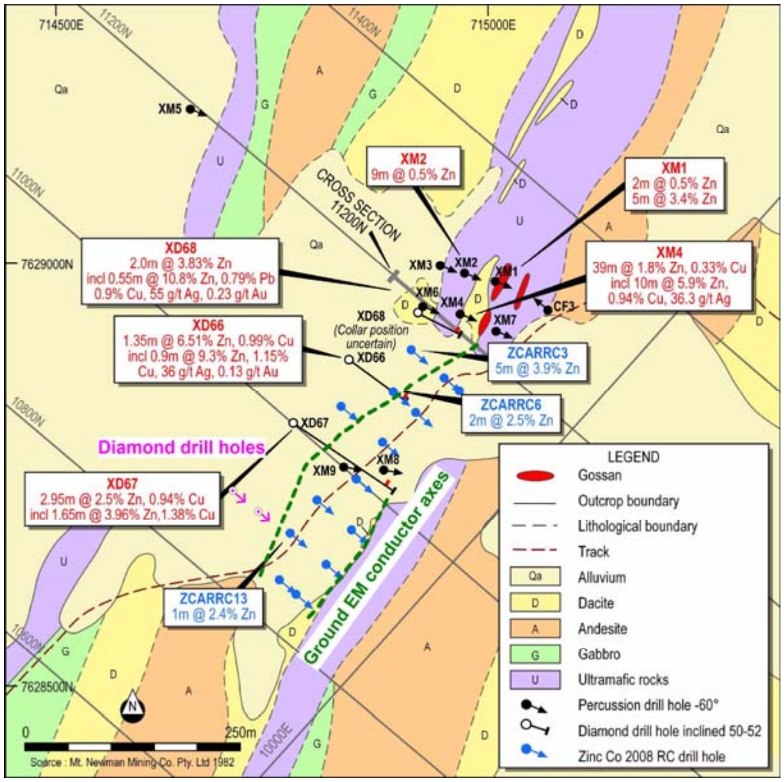
A single diamond drill hole ZNCQRD001, was drilled at Conquistador in August 2008 as an extension to previous Zinc Co RC hole CNQRC052 on the southern margin of an Induced Polarisation ("IP") geophysical anomaly. The hole tested down dip of two RC drill intersections on 12800E section reported in 2007: CNQRC045;- 21 metres @ 2.56 % zinc, 0.68 % lead, 1.08 g/t gold, (including 2 metres @ 8.49% zinc, 2.94% lead), and CNQRC052;- 6 metres @ 2.29% zinc, 0.34% lead, 1.07g/t gold. Two zones of sulphides returned intersections of zinc mineralisation, with the texture of mineralisation in the diamond core indicating that this is footwall stringer mineralisation. The best result was 2 metres @ 3.93% zinc, 0.22% lead, 0.06% copper, 13 g/t silver, 0.03 g/t gold.

In October 2008, a spectral mineral mapping program was completed on 3300 assay pulps from 110 historical drill holes. The results confirm that mica and chlorite compositions at Conquistador and to the east are consistent with intense VHMS style footwall alteration.

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.

Planning is in progress to evaluate these and other targets by tightly targeted RAB drilling across the EM features and also to test the full width of alteration zones interpreted from previous IP geophysical surveys and short strike length magnetic anomalies which may be related to footwall alteration.

GIRALIA RESOURCES NL



Cardinals Prospect diamond drill hole locations

Cardinals Joint Venture Project (zinc)—Giralia 49%, Zinc Co Australia Limited earning 51%

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. 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.

In August 2008 joint venture operator Zinc Co completed 15 RC drill holes (1390 metres) covering 350 metres strike south of the gossan to test the EM conductor. Sulphides were intersected in three holes aligned over 260 metres strike along the western margin of the area drilled and assay results include 5 metres @ 3.9% zinc, 0.3% lead, 0.6% copper and 37 g/t silver.

During the December 2008 quarter 10.2 line kilometres of moving loop ground EM was completed at the Cardinals Prospect. A strong conductive response was detected south of the Cardinals gossan outcrop. The MLEM data has been modelled as a set of four plate like bodies striking approximately grid north and dipping steeply to the grid west. The 3 northern plates are probably a continuous horizon. The southernmost plate is modelled as a separate body offset about 30 metres to the grid east. Although previous drilling is concentrated in the area 400 metres grid south of the gossan, the sulphide bodies represented by the plate models extend well below the area drill tested. The western conductor is modelled with three plates and extends to 230 metres below surface. The eastern conductor is modelled as a single plate extending to 650 metres below surface.

In July 2009, a diamond drilling program commenced designed to test two parallel ground EM geophysical anomalies on strike grid south of the Cardinal's gossan outcrop. The first hole intersected 8 metres of a coarse volcaniclastic unit after passing through massive lavas. The volcaniclastic is terminated by an ultramafic intrusive interpreted as an intrusive. Pyrrhotite (chalcopyrite) stringer veins occur in the massive lava.

Silica/sericite alteration increases towards the volcaniclastic unit. Sulphide content also increases towards the volcaniclastic which shows strong matrix replacement by sulphides, including bands of sphalerite. A second hole was collared to test beneath this intersection.

Munro Bore Project (gold) – Giralia royalty

The Munro Bore project is located on a granted Mining Lease in Western Australia's Murchison province. A total Inferred Resource of 270,000 tonnes @ 1.6 grams per tonne Au is estimated to a maximum depth of 70 metres below surface for the Northern and Southern zones at Munro Bore.

The Company has sold the Munro Bore tenement to a private group which has excercised its option to purchase the tenement for $50,000 in cash payments (received) and a production royalty of $25 per ounce on the first 10,000 ounces produced and $10 per ounce uncapped on production in excess of 10,000 ounces of gold.

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

Hazelwood Resources Ltd (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. Hazelwood completed a major Hoist EM airborne electromagnetic (EM) geophysical survey over the JV tenement, which outlined several conductive responses 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. Previous drilling at Copper Gorge has intersected copper (zinc) mineralisation (13.7 metres @ 0.47% copper including 1.5 metre@ 2.3 % copper, and 4.7 metres @ 2.24% zinc, 0.14 % copper and 8.4 grams per tonne silver).

Hazelwood reports no field activity.

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. Two 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.

The Blue Rose Joint Venture is currently considering approaches from external parties interested in progressing development of the copper-oxide mineralisation at Blue Rose. The joint venture remains committed to the district and will continue to focus on the large highly prospective exploration acreage.

Preliminary metallurgical testwork on the molybdenum to assess its recoverability is planned.

Olary Joint Venture (Uranium)-- Giralia 100% of uranium rights)

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 Olary Project contains similar type and age rock sequences to those at the nearby Crocker Well and Radium Hill uranium deposits. Rock chip sampling has defined a zone of strong uranium results with high grade assays of 0.73% U3O8, 0.31% U3O8, 0.30%U3O8 and 0.29% U3O8. The area sampled is 650 metres south (across a soil plain) from the Domenic prospect where previous rock chip sampling returned up to 2.2% U3O8.

The Company completed a small RC drilling program at the Olary uranium project during the June 2009 quarter. Four shallow reverse circulation holes (295 metres) were drilled on EL 3849 to test ground anomalies of up to 15,000 cps.

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

La Mancha Resources Pty Ltd (La Mancha), formerly Mines & Resources Australia Pty Ltd, has earned 51% interest in Giralia's Yuinmery project, located 10 kilometres east of the historic Youanmi gold mine and

55 kilometres south-west of Troy Resources NL's Sandstone gold operations.

La Mancha reports that assays were received for 1365 soil samples collected in the June 2008 quarter, over 22 traverses, mostly at 400 metre by 40 metre spacing. Copper results highlight a coherent low order anomaly to a maximum of 281 ppm copper, and gold results to 6g/t gold from patchy variable repeats. Additionally, 51 rock chip samples were collected returning results to 0.33g/t gold and 367 ppm copper

Ashburton (Giralia 100%)

La Mancha Resources Australia Pty Ltd advised Giralia of its intention to withdraw effective 1 November 2008 from the Ashburton Project Farm-in, which took in Giralia's Angelo and Beasley West projects.

The Angelo project covers 40 kilometres of strike extensions just east of the Paraburdoo gold mining centre. The Nanjilgardy Fault zone, a major regional thrust fault, along which the Mt Olympus and Zeus ore bodies lie, is exposed for at least 15 kilometres into the Company's Angelo licences, and is interpreted from aeromagnetic data to project beneath cover for a further 20 kilometres. The Beasley West tenement covers the area of a gold discovery made by prospectors, including a significant gold in quartz specimen (the 'Snapping Duck' specimen containing approximately 20 ounces of gold) plus numerous other near-surface gold traces widespread within an approximately 5 square kilometre area in the Ashburton district.

Regional prospecting for iron ore potential was completed during the 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.

Beasley Creek (gold)—Giralia 100%

The Beasley Creek project, located in the Rocklea Dome, in the Ashburton District of Western Australia, covers a geological setting clearly analogous to the operating high grade Paulsens gold mine, within the nearby Wyloo Dome.

At the Bullfrog prospect, an area of low hills from which significant recent gold nugget discoveries have been reported, soil sampling has defined a coherent plus 100ppb gold anomaly extending over 1 kilometre with a maximum value of 299ppb gold. At the Twin Reefs-Blue Drum area where previous drilling returned up to 3 metres @ 3.15 grams per tonne gold beneath a 700 metre long quartz ridge, soil sample values up to 38ppb gold were recorded. Giralia is reviewing potential for channel iron style iron ore mineralisation at Beasley Creek.

Sylvania Project (gold)—Giralia 100%

The Company's 100% owned Sylvania tenement application covers the potential strike extensions of drill intersections along the southern edge of the Sylvania Dome east of Newman, including 4 metres at 8.6 grams per tonne gold and 2 metres at 9.5 grams per tonne gold, which remain untested beneath cover sequences.

Kathleen Valley and Mt Harris Joint Ventures (gold, nickel)—Giralia 13-30%

Joint venture operator, Xstrata Nickel Australasia (formerly Jubilee Gold Mines), has earned a 70% interest at Kathleen Valley and Mt Harris located approximately 5 kilometres north of the Cosmos nickel mine. Xstrata is continuing to sole fund exploration with Giralia diluting. A small known gold deposit (previously estimated resource of 56,000 tonnes at 2.75 grams per tonne gold) on Giralia's tenements at the Main Road deposit and the Northeast Stockwork zone forms part of Xstrata's larger Kathleen Valley Gold Project. Geochemical and geophysical surveys were completed during the year. Seven anomalies have been generated from a regional soil sample program over the Kathleen Valley Intrusive Complex within the Mt Harris and Kathleen Valley JV tenements. Of these seven anomalies: Three are platinum-palladium (“Pt-Pd”) anomalies with one considered significant due to its geological context and coincident elevated Pt-Pd values (e.g. 28.8 ppb Pd and 15 ppb Pt). Three are Au anomalies with one considered to be of high priority due to gold concentration (up to 1.2 g/t gold), and one is a copper anomaly and appears to be stratigraphic controlled, and is considered low priority. Field inspection is required to place all these anomalies into their geological and regolith contexts.

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

A series of detailed fixed-loop EM (FLEM) surveys were completed as part of a large regional programme to assess the potential of the ground north and along strike from the Cosmos Deposit for nickel sulphide bodies. A total of 16.7km was surveyed on M36/441.

There were no high priority targets identified, although some subtle responses were observed which appear to correspond with weak magnetic anomalies which will need to be ground checked. The relatively strong magnetic response associated with the South Ilias Prospect was not covered as part of this FLEM programme, but will hopefully be added to an infill programme of work to be completed by the end of 2009.

Corktree Joint Venture (copper) – Giralia 49%, PacMag Metals Ltd earning 51% interest

The Corktree copper prospect is located 130 kilometres north west of Wiluna in Western Australia. PacMag reports that two immediate targets for follow up have been defined including the Corktree Well Prospect where previous drilling identified extensive near surface copper mineralisation including 24 metres @ 0.22% copper, 16 metres @ 0.26% copper, and 3 metres @ 1.6% copper. PacMag Metals Limited reports reconnaissance mapping and sampling 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.

Clever Mary Joint Venture (gold)—Giralia 100%

Giralia's Clever Mary project is located 250 kilometres north-west of Meekatharra in the Gascoyne Province in Western Australia. Clever Mary covers a shear zone in Lower Proterozoic 'greenstones', BIFs and quartz mica schists which is highly gold anomalous over 10 kilometres strike. RAB drilling, costeaning and broad spaced RC drilling have outlined a (+1 grams per tonne gold) mineralised zone at West Point over 2.5 kilometres long and open to the west beneath cover. Better results include: trenching 18 metres @ 2.49 grams per tonne gold; RAB 14 metres @ 1.57 grams per tonne gold and 4 metres @ 8 grams per tonne gold; RC drilling 13 metres @ 1.02 grams per tonne gold and 2 metres @ 3.66 grams per tonne gold.

Diorite Hill Project (nickel-PGE)—Giralia 100%

Giralia holds tenure over a substantial portion of the large (120 square kilometre) Diorite Hill mafic-ultramafic intrusion located 25 kilometres east of Laverton. Previous exploration has defined both laterite nickel (including a small Inferred Resource of 62,400 Tonnes @ 1.04% nickel, and 0.183% cobalt beneath 20 metres of alluvium), and sulphide nickel-platinum targets. Review of past geophysical, drilling and geological data continued.

The information in this report that relates to Exploration Results, is based on information compiled by R M Joyce, who is a full time employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. R M 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'. R M 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 this report that relates to Identified Mineral Resources for the Snake Well 'Mixy' deposit is based on information compiled by Stephen Hyland, Principal Consultant of Ravensgate The information in this report that relates to Identified Mineral Resources for 'A-zone' deposit is based on information compiled by R E Williams, Consultant, who is a Member of The Australasian Institute of Mining and Metallurgy. The information in this report that relates to Identified Mineral Resources for the 'Calisi 1', 'Calisi 2', 'Royal Standard' and Snake Well laterite deposits is based on information compiled by Rodney Michael Joyce, who is a Member of The Australasian Institute of Mining and Metallurgy and a full-time employee of the Company, Messrs Hyland, Williams and Joyce have 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 Mineral Resources and Ore Reserves", and have consented to the inclusion in the report of the matters based on their information 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.

DIRECTORS' REPORT

The Directors present their report together with the financial report of Giralia Resources NL ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2009, and the auditors' report thereon.

1. DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other directorships
Mr Graham Douglas Riley, B.Juris LLB Independent Non-Executive Chairman	Director since 30 June 1998. Mr Riley is a qualified legal practitioner, having gained his Bachelor of Laws and Bachelor of Jurisprudence Degrees. After 10 years legal practice as a partner of a commercial firm in Perth, he resigned to pursue private interests in the resources and exploration sector, where he continues to act in various non-executive capacities. Mr Riley is a Director of Adelphi Energy Ltd and Chairman of Buru Energy Ltd.
Mr Rodney Michael Joyce, BSc (Hons), MSc., Managing Director	Director since 10 May 2000. Mr Joyce is a geologist with over 20 years experience in mineral exploration, following graduation in 1979 with a BSc (Hons) degree in Geology from Monash University. He also holds a MSc in Mineral Exploration from the Royal School of Mines, University of London, UK. Prior to joining Giralia as Exploration Manager in late 1998, he was the leader of a successful gold exploration team at Aberfoyle Resources Ltd, responsible for significant gold discoveries at Khartoum (Carosue Dam) and Davyhurst in Western Australia. Mr Joyce is Chairman of PacMag Metals Limited and a Director of Zinc Co Australia Limited.
Mr Stanley Allan Macdonald Executive Director	Director since 12 April 1991. Mr Macdonald is a major shareholder in the Company and has been associated with the mining and exploration industry for over 20 years. Mr Macdonald is a non-executive director of U3O8 Limited, Zinc Co Australia Limited, and Carpentaria Exploration Ltd.

2. COMPANY SECRETARY

Mr Bruce Richard Acutt, B.Com Company Secretary	Mr Acutt was appointed to the position of Company Secretary in July 1987. He had previously trained and worked with major accounting firms in the audit and resources sectors. Mr Acutt is Company Secretary of PacMag Metals Limited, Greenland Minerals & Energy Ltd, Zinc Co Australia Limited and Convergent Minerals Ltd.

3. DIRECTORS' MEETINGS

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:-

Director	Number of Board Meetings		Circular Resolutions in Writing	
	A	B	A	B
G D Riley	10	10	2	2
S A Macdonald	10	10	2	2
R M Joyce	10	10	2	2

A – Number of meetings attended.
B – Number of meetings held during the time the Director held office in the year.

4. CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

PRINCIPLES OF BEST PRACTICE RECOMMENDATIONS

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT
Role of Board and Responsibilities
(ASX CGC Recommendation 1.1)
The Board of Directors of Giralia Resources NL is responsible for the corporate governance of the Company. The Board monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected, and to whom they are accountable.

The relationship between the Board and senior management is critical to the Company's long-term success. The Directors are responsible to the shareholders for the performance of the Company in both the short and longer term, and seek to balance sometimes competing objectives in the best interests of the Company. Their focus is to enhance the interests of shareholders and other key stakeholders, and to ensure the Company is properly managed.

The Board operates in accordance with the broad principles set out in its charter, which is available from the corporate governance information section of the Company website at www.giralia.com.au . The charter details the Board's composition and responsibilities.

Board Responsibilities
The responsibilities of the Board include:

- supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed;
- ensuring the Company is properly managed, for example by:
  - appointing and, where appropriate, removing any Managing Director, Chief Executive Officer (or equivalent) of the Company;
  - ratifying the appointment and, where appropriate, the removal of any Chief Financial Officer and the Company Secretary;
  - formulating short term and long term strategies to enable the Company to achieve its objectives and ensuring that the Company has the resources to meet its strategic objectives;
  - input into and final approval of management's development of corporate strategy and performance objectives;
  - reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;

4. CORPORATE GOVERNANCE STATEMENT (cont')

  - monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available; and
  - establishing, monitoring and determining the powers and duties of any and all of the Company's committees;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- approving the annual budget;
- monitoring the financial performance of the Company;
- approving and monitoring financial and other reporting;
- providing overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;
- appointing the external auditor and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next AGM of the Company;
- liaising with the Company's external auditors; and
- monitoring and ensuring compliance with all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.

Senior Executive Responsibilities

The Company is served by two senior executives;

An Exploration Manager and Company Secretary/Chief Financial Officer.

The Exploration Manager is responsible for:-

- Managing all exploration activity including the selection of area to be subject to exploration, determining the nature , type and extent of exploration activity;
- Ensuring that tenements are maintained in good standing with applicable State Authorities;
- Reporting to the Board on exploration activity;
- Reporting to Board on financial activity for exploration;
- Preparation of Exploration Budget;
- Periodical high-level review of key controls to ensure that they are operating as required/designed, particularly occupational health and safety.

The Company Secretary/Chief Financial Officer is responsible for:

- Ensuring the efficient operation of the registered office of the company;
- Preparation of monthly financial reports
- Preparation of half-year and annual financial statements
- Ensuring compliance with ASX Listing rules and applicable Australian Securities and Investment Commission requirements
- Ensuring the continuous operation of key controls
- Maintenance of company's risk register
- Maintenance of company records

The Exploration Manager is accountable to the Board for management of exploration, with authority levels approved by the Board, and is subject to the supervision of the Board.

4. CORPORATE GOVERNANCE STATEMENT (cont')

The performance of all Directors is reviewed by the Chairman each year. Directors whose performance is unsatisfactory are to be asked to retire.

Evaluation of Senior Executive Performance

Senior Executive performance is evaluated by the Board annually at a time approximating contract renewal date. Accordingly, all senior executives were evaluated during the current financial year against the responsibilities identified above and following the process disclosed above.

PRINCIPLE 2 - STRUCTURE OF THE BOARD TO ADD VALUE

Composition and functions of the Board

(ASX CGC Recommendations 2.1, 2.2, 2.3, 2.5)

The composition of the Board is determined in accordance with the following principles and guidelines:

The Board shall comprise at least three Directors, increasing where additional expertise is considered desirable in certain areas, and

- where possible the Board is to comprise a majority of non-executive directors who are considered by the Board to be independent.
- directors may bring characteristics which allow a mix of qualifications, skill and experience.
- at any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the Company, and directors with an external or fresh perspective;
- the size of the Board is conducive to effective discussion and efficient decision-making.

The Board reviews its composition on an annual basis to ensure that it has the appropriate mix of expertise and experience to adequately discharge its responsibilities and duties. Where a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board will select appropriate candidates with relevant qualifications, skills and experience.

Details of members of the Board, their experience, expertise, qualifications, term of office and independent status are set out in the Directors' Report under the heading "Information on Directors". There is one non-executive Director who is deemed independent under the principles set out below, at the date of signing the Directors' Report.

Term of office

The Company's Constitution specifies that any Director other than the Managing Director must retire from office no later than the third annual general meeting (AGM) following their last election.

Directors' independence

(ASX CGC Recommendation 2.1, 2.6)

The Board has adopted the specific principles in relation to Directors' independence. These state that to be deemed independent, a director must be a non-executive and:

- not be a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years, not have been employed in an executive capacity by the Company or been a director after ceasing to hold any such employment;
- within the last three years not have been a principal of a material professional advisor or a material consultant to the Company or an employee materially associated with the service provided;

4. CORPORATE GOVERNANCE STATEMENT (cont')

- not be a material supplier or customer of the Company or another Group member, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer;
- must have no material contractual relationship with the Company or another Company member, other than as a director of the Company;
- be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;
- not have been on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Each Director has the right to seek independent advice at the Company's expense, however prior approval by the Chairman is required, which will not be unreasonably withheld.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount of over 10% of the current year operating result of the Company or 10% of the pro forma net assets is considered material for these purposes. In addition, the Company applies materiality based on qualitative assessments including if matters impact on the reputation of the Company and if they involve a related party.

There is one non-executive director who is deemed independent at the date of signing the Directors' Report, as outlined in the Directors' Report under the heading "Information on Directors".

Conflict of interests

Mr R M Joyce and Mr S Macdonald had business dealings with related party entities (U3O8 Ltd, PacMag Metals Ltd and Zinc Co Australia Ltd) during the year, as described in note 21 to the financial statements. In accordance with the Board charter, the Directors concerned declared their interests in those dealings to the Company and took no part in decisions relating to them or the preceding discussions.

Chairman

(ASX CGC Recommendation 2.2, 2.3)

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives.

Mr Graham Riley, an independent non executive director, was appointed Chairman by the Board on 30 June 1998.

The Chairperson's responsibilities are set out in the Board Charter, which is available from the corporate governance information section of the Company website at www.giralia.com.au.

Board committees

Due to the small size and structure of the Board, there are no separate audit, nomination and remuneration committees. Instead, the Board considers it more appropriate to set aside time at Board meetings to specifically address matters that would ordinarily be considered by audit, nomination or remuneration committees. When considering these matters, the Board functions in accordance with its Audit Committee Charter and Remuneration Committee Charter.

Each written charter sets out its role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All of these charters are reviewed on an annual basis and are available on the Company website.

4. CORPORATE GOVERNANCE STATEMENT (cont')

Nomination committee
(ASX CGC Recommendation 2.4)
There is no separate nomination committee. The Board considers those matters and issues arising that would usually fall to a nomination committee.

When considering nomination matters, the Board operates in accordance with its charter which is available on the Company website at www.giralia.com.au.

The main responsibilities are to:

- conduct an annual review of the membership of the Board having regard to present and future needs of the Company, and to make recommendations on Board composition and appointments;
- propose candidates for Board vacancies;
- oversee the annual performance assessment program;
- oversee Board succession, including the succession of the Chairman; and
- assess the effectiveness of the induction process.

Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and skills, compatibility within the Company's scope of activities, and ability to undertake Board duties and responsibilities.

The Board then appoints the most suitable candidate who must stand for election at the next annual general meeting of the Company.

Details of the nomination, selection and appointment processes are available on the Company website.

Notices of meetings for the election of Directors comply with the ASX Corporate Governance Council's best practice recommendations.

New directors are provided with a letter of appointment setting out the Company's expectations, their responsibilities and rights, and the terms and conditions of their employment. All new directors participate in a comprehensive, formal induction program which covers the operation of the Board and its committees and financial, strategic, operations and risk management issues.

Performance assessment
(ASX CGC Recommendation 2.5)
The Board annually reviews the remuneration packages and policies applicable to executive directors, non-executive directors and senior executives. Remuneration levels are competitively set to attract and retain qualified and experienced directors and senior executives. Where necessary, the Board obtains independent advice on the appropriateness of remuneration packages.

Any Nomination Committee matters are discussed at Board Meetings at least annually. This would include any situation where a director or senior executive's ability to perform their duties was materially affected.

The Chairman undertakes an annual assessment of the performance of the Board, and individual directors. Descriptions of the process for performance assessment of the Board and senior executives, are available on the Company website at www.giralia.com.au .

4. CORPORATE GOVERNANCE STATEMENT (cont')

Commitment

The Board held ten board meetings during the year and two circular resolutions in writing during the year. Non-executive Directors are expected to prepare for and attend Board and committee meetings and associated activities.

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2009, and the number of meetings attended by each Director, is disclosed in note 3 of the Directors' Report.

It is the Company's practice to allow its executive Director to accept appointments outside the Company with prior written approval of the Board. No appointments of this nature were accepted during the year ended 30 June 2009.

The commitments of non-executive Directors are considered by the nomination committee prior to the Directors' appointment to the Board of the Company and are reviewed each year as part of the annual performance assessment.

Prior to appointment or being submitted for re-election, each non-executive Director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the Company.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of conduct and trading policy

(ASX CGC Recommendation 3.1, 3.2, 3.3)

The Company has developed a statement of values and a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

In summary, the Code requires that at all times all Company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Company policies and that individuals are responsible and accountable for reporting and investigating reports of unethical behaviour.

Directors, employees and contractors are required to comply with the Company's comprehensive Share Trading Policy when dealing in the Company's securities. This policy outlines the law on insider trading and restricts people working for or associated with the company from dealing in company securities.

The policy prohibits directors or employees from dealing in Company's securities when they are in possession of price sensitive information that is not generally available to the market.

The Company abides by a policy of continuous disclosure, as required by the ASX Listing Rules.

- The Company has developed a Code of Conduct for directors and officers, and to guide compliance with legal and other obligations to legitimate stakeholders, and it is disclosed on the Company's website.
- The Company has in place a Share Trading Policy concerning trading in Company securities, and it is disclosed on the Company's website.

4. CORPORATE GOVERNANCE STATEMENT (cont')

The directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Corporate reporting

(ASX CGC Recommendation 4.1)

The Managing Director and CFO have made the following certifications to the board:

- that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards; and
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Audit committee

(ASX CGC Recommendation 4.1, 4.2, 4.3, 4.4)

There is no separate audit committee. The Board considers those matters and issues arising that would normally fall to the audit committee.

The Board, acting as the audit committee, has appropriate financial expertise and all members are financially literate and have an appropriate understanding of the industries in which the Company operates.

The Board, acting as the audit committee, operates in accordance with a charter which will be available on the Company website. The main responsibilities are to:

- review, assess and approve the annual report, the half-year financial report and all other financial information published by the company or released to the market;
- assist the Board in reviewing the effectiveness of the organization's internal control environment covering:
  - effectiveness and efficiency of operations
  - reliability of financial reporting
  - compliance with applicable laws and regulations;
- determine the scope of the internal audit function and ensure that its resources are adequate and used effectively, and assess its performance, including independence;
- oversee the effective operation of the risk management framework;
- recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and assess performance;
- consider the independence and competence of the external auditor on an ongoing basis. Each reporting period, the external auditor provides and independence declaration in relation to the audit;
- review and approve the level of non-audit services provided by the external auditors and ensure it does not adversely impact on auditor independence;
- review and monitor related party transactions and assess their propriety;
- report to the Board on matters relevant to the committee's role and responsibilities.

4. CORPORATE GOVERNANCE STATEMENT (cont')

In fulfilling its responsibilities, the Board:

- receives regular reports from management and external auditors;
- meets with management and external auditors at least twice a year, or more frequently if necessary;
- reviews the processes the CEO and CFO have in place to support their certifications to the Board;
- discuss external audit plans, identifying significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review external audit fees proposed for the audit work to be performed;
- reviews the half year and annual report prior to lodgment with the ASX, and any significant adjustments required as a result of the auditor's findings;
- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made;
- provides management and external auditors with a clear line of direct communication at any time to the Chairman of the Board.

The Board, acting as the audit committee, has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

External auditors

The Company and audit committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration the assessment of performance, existing value and tender costs.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the directors' report and in note 7 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the audit committee.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Continuous disclosure and market communication

(ASX CGC Recommendation 5.1, 5.2)

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities.

These policies and procedures are designed to ensure that shareholders and the market are provided with equal, timely and balanced access to material information concerning the Company. A summary of these policies and procedures is available on the company's website.

The Managing Director and the Company Secretary are responsible for interpreting the company's policy, ensuring compliance with continuous disclosure and informing the Board where necessary.

4. CORPORATE GOVERNANCE STATEMENT (cont')

The Company Secretary has been nominated as the person responsible for communications with the Australian Securities Exchange (ASX) and overseeing and coordinating information disclosure to analysts, brokers, shareholders, the media and the public. All senior management is informed of the Company's continuous disclosure policy and understand the processes involved in relation to the timely disclosure of information.

All information disclosed to the ASX is posted on the Company's website (www.giralia.com.au) as soon as possible after it is disclosed to the ASX. When analysts are briefed on aspects of the Company's operations, the material used in the presentation is released to the ASX and posted on the Company's web site. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed and, if so, this information is also immediately released to the market.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Shareholder communication

(ASX CGC Recommendations 6.1, 6.2)

The Board's continuous disclosure and communications policies and procedures are designed to encourage effective, timely, balanced and understandable information concerning the company to its shareholders and the market. Initiatives to facilitate this include making all company announcements, media briefings, and details of company meetings, press releases for the last three years and financial reports for the last five years available on the company's website. All information released to the market and related information (such as information provided to analysts or the media) is placed on the Company's website as soon as possible following the release to the ASX.

The full annual report is sent and provided via the Company's website to all shareholders. A shareholder may specifically request not to receive a physical copy of the annual report. The annual report includes relevant information about the operations and activities of the Company and its subsidiaries during the year, changes in the state of affairs and details of future developments. The half year report contains summarised financial information and a review of operations of the Company and its subsidiaries. This is sent to shareholders upon shareholder request.

The website also includes a feedback mechanism and an option for shareholders to register their email address for direct email updates on company matters.

Full texts of notices of meetings and explanatory material are placed on the Company's website.

The Company encourages full and effective shareholder participation at general meetings. Shareholders generally participate in these meetings through the appointment of a proxy.

The Company's external auditor attends the annual general meetings to answer shareholder questions in relation to the conduct of the audit, the preparation and content of the audit report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

A summary of these policies and procedures is available on the company's website at www.giralia.com.au.

4. CORPORATE GOVERNANCE STATEMENT (cont')

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Risk assessment and management

(ASX CGC Recommendations 7.1, 7.2, 7.3, 7.4)

The Board, through the audit committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. These policies are available on the company website. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisational structure with clearly drawn lines of accountability and delegation of authority. Adherence to the Code of Conduct is required at all times and the Board actively promotes a culture of quality and integrity.

Ultimate responsibility for risk oversight and risk management rests with the full Board. Management is responsible for developing and implementing a sound system of risk management and internal control. Management carries out regular systematic monitoring of control activities and reports to the Board. Detailed control procedures cover management accounting, financial reporting, project appraisal, environment, health and safety, IT security, compliance and other risk management issues.

The Board has required management to design and implement a risk management and internal controls system to manage the Company's material business risks. This has resulted in a register of risks which will be reviewed in accordance with the Company's Risk Management policy. The Company's Risk Management policy forms part of the Corporate Governance Policy and is located on the Company's website.

The Board has obtained a written confirmation from the Managing Director and the Company Secretary, that the statement in relation to s.295A of the Corporation Act, is founded on a sound system of risk management and internal compliance and control and that the system is operating efficiently and effectively in all material respects.

The Board ensures that appropriate controls are in place to effectively manage those risks, which is reviewed at least annually.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Remuneration committee

(ASX CGC Recommendation 8.1, 8.2, 8.3)

There is no separate remuneration committee. This is because the Board is of the opinion that the Company is too small to justify the extra expense of forming and running a remuneration committee. Accordingly, the Board considers those matters and issues arising that would usually fall to the remuneration committee.

When considering matters of remuneration, the Board functions in accordance with its Remuneration Committee Charter, which is available on the Company website. The Remuneration Committee Charter

4. CORPORATE GOVERNANCE STATEMENT (cont')

requires the Board to review matters on remuneration and incentive policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors.

The Board, acting as the remuneration committee, may receive regular briefings from an external remuneration expert on recent developments on remuneration and comparisons of remuneration within the industry.

Non-executive directors' remuneration consists of a fixed amount paid including statutory superannuation. Senior executive remuneration consists of a balance of fixed and incentive pay plus statutory superannuation. Other than statutory superannuation, no directors' or senior executives are entitled to any other retirement benefits.

Senior executives sign a formal employment contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination.
The standard contract refers to a specific formal job description.

Further information on directors' and executives' remuneration is set out in the directors' report under the heading "Remuneration report".

The remuneration committee's terms of reference will include responsibility for reviewing any transactions between the organisation and the directors, or any interest associated with the directors, to ensure the structure and the terms of the transaction are in compliance with the Corporations Act 2001 and are appropriately disclosed.

The remuneration committee's charter will be maintained in the Corporate Governance Policies which will be available on the Company's website.

The Board, acting as the remuneration committee, also assumes responsibility for management succession planning, including the implementation of appropriate executive development program and ensuring adequate arrangements are in place, so that appropriate candidates are recruited for later promotion to senior positions.

There are no schemes for retirement benefits for non-executive directors other than superannuation.

5. PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the course of the financial year was mineral exploration. There was no significant change in the nature of the activity of the consolidated entity during the year.

6. FINANCIAL RESULTS

The net consolidated profit for the financial year attributable to members of Giralia Resources NL after income tax was $7,554,657 (2008: profit $30,039,034).

7. REVIEW OF OPERATIONS

During the year the consolidated entity continued its exploration activities in Australia.

8. DIVIDENDS

There were no dividends paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of a dividend in respect of the current financial year.

9. STATE OF AFFAIRS

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

- The Company continued with a high level of exploration activity during the year, with substantial drilling programs completed at the Giralia operated Beebyn, Western Creek, Earaheedy, Yerecoin and Daltons projects, along with partner-funded drilling in several areas. Operational focus is on the development of the Company's iron ore tenements with promising drilling results reported.
- The company purchased the Prairie Downs tenements from Royal Resources Ltd for $2 million and 2 million shares at a market value of $0.53 each.
- The Company sold the remainder of its shareholding in Red Hill Iron Limited for $18,503,331, resulting in a gain on sale of $16,649,002.

10. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and/or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

Since balance date, the aggregate fair value of the consolidated entity's investments has increased by $3,184,720 or 68% due to increases in ASX share prices.

11. LIKELY DEVELOPMENTS

The consolidated entity will continue to pursue its policy of acquiring and testing attractive mineral properties with a view to developing properties capable of economic mineral production. Joint venture partners will be sought where appropriate.

12. DIRECTORS' INTERESTS

The relevant interest of each Director in the share capital of the companies within the consolidated entity, as notified by the Directors to the ASX in accordance with Section 205G(1) of the Corporations Act 2001 at the date of this report, is as follows:

GIRALIA RESOURCES NL

	Fully Paid Ordinary Shares		Options	
	Number Directly Held	Number Beneficially Held	Number Directly Held	Number Beneficially Held
G D Riley	-	3,388,952	-	-
S A Macdonald	6,159,520	210,000	-	-
R M Joyce	-	2,100,000	-	2,000,000

13. REMUNERATION REPORT - audited

13.1 Principles of remuneration

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the consolidated entity, including Directors of the Company and other executives. Key management personnel include specified Directors and specified executives for the Company and the consolidated entity.

The Board of Directors decides on remuneration policies and packages applicable to the Board members and employees of the Company. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities; and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced key management personnel.

Remuneration packages include a mix of fixed remuneration and long-term performance-based incentives.

Fixed remuneration – Fixed remuneration consists of base remuneration and statutory superannuation entitlements. Remuneration levels are set by the Board based on industry benchmarking, individual performance and the performance of the Company and consolidated entity. The board may from time to time approve of the payment of a short term incentive cash bonus to key management personnel and employees.

Performance-linked remuneration – Performance-linked remuneration includes long-term incentives in the form of options over ordinary shares of the Company. Performance-based remuneration is not based on specific financial indicators such as earnings or dividends as the Company is at the exploration stage and during this period is expected to incur operating losses. There is no separate profit-share plan.

The key management personnel are also entitled to receive, on termination of employment, their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

Service Contracts

The service contract outlines the components of compensation paid to the key management personnel but does not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the compensation policy and market conditions.

Graham D Riley	- Base Salary of $50,000 per annum - Chairman / Non-executive Director
Stanley A Macdonald	- Executive Director - Annually renewable contract - Base Salary of $190,000 per annum - Termination is by 3 months notice in writing by either party
R Michael Joyce	- Managing Director - Annually renewable contract - Base Salary $285,000 inclusive of mandatory superannuation and the periodic review by the board of the share option package - Termination is by 3 months notice in writing by either party

13. REMUNERATION REPORT – audited (cont'd)

Julian Goldsworthy	- Exploration Manager - The agreement is renewable annually for successful performance. To terminate the agreement either party must provide 3 months notice in writing - If serious misconduct is committed by the executive, the agreement may be immediately terminated by the Company - Base Salary of $218,000 inclusive of mandatory superannuation and the participation in share options issued by the Company from time to time
Bruce Acutt	- Company Secretary/CFO - Annually renewable contract - Rate of $85 per hour plus mandatory superannuation and the participation in share options issued by the Company from time to time - To terminate the agreement, either party must give 3 months notice in writing. The contract may be terminated if serious misconduct is committed by the executive.

Non executive director

Total remuneration for all non-executive directors during the year was $50,000 for the Company and consolidated entity, which was paid to the Chairman. The maximum approved remuneration for the Company is $90,000 per annum. Non-executive directors do not receive bonuses, nor have they been issued options on securities. Directors' fees cover all Board activities.

13. REMUNERATION REPORT (cont'd)

13.2 Directors and executive officers remuneration (Company and consolidated)

The following table discloses the remuneration of the key management personnel (as defined in AASB 124 Related Party Disclosures) of the Company and the consolidated entity.

The key management personnel of the Company and the consolidated entity includes the directors and the following executive officers, who were also the five highest paid executives of the entity:

		Short-term benefits				Post-employment benefits		Share-based payment				
COMPANY AND CONSOLIDATED		Salary & fees $	Short term compensated leave $	Non-monetary benefits $	Total	Super-annuation $	Retirement benefits $	Options $	Other long term benefits $	TOTAL $	S300A(1)(e)(i) Proportion of remuneration performance related %	S300A(1)(e)(vi) Value of options as proportion of remuneration %
Executive Directors												
R M Joyce	2009	261,468	12,540	-	274,008	23,876	-	-	-	297,884	-	-
	2008	*294,426	35,980	-	330,406	19,748	-	-	13,206	363,360	-	-
S A Macdonald	2009	#193,000	-	-	193,000	-	-	-	-	193,000	-	-
	2008	153,333	-	-	153,333	-	-	-	-	153,333	-	-
Non-Executive Directors												
G D Riley	2009	50,000	-	-	50,000	-	-	-	-	50,000	-	-
	2008	50,000	-	-	50,000	-	-	-	-	50,000	-	-
Executives												
B R Acutt	2009	163,795	8,840	-	172,635	14,742	-	316,700	2,958	507,035	-	62%
	2008	144,137	12,200	-	156,337	12,972	-	151,500	9,918	330,727	-	46%
J D Goldsworthy	2009	194,640	9,592	-	204,232	23,704	-	801,950	3,793	1,033,679	-	78%
	2008	163,911	10,692	-	174,603	19,256	-	1,143,197	3,793	1,340,849	-	85%

* This amount includes a one-off cash bonus of $75,000 paid to the Managing Director as remuneration which 100% vested immediately.

This amount includes a payment of $3,000 for the financial year ended 30 June 2008.

13. REMUNERATION REPORT (cont'd)

13.2 Directors and executive officers remuneration (Company and consolidated) (cont'd)

The following facts and assumptions were used in determining the fair value of options on grant date.

Grant Date	Option Life	Fair Value of Option	Exercise Price at Grant Date	Price of share on Grant Date	Expected Volatility	Risk Free Interest Rate	Dividend Yield
10/07/2007	4 years	$0.42	$0.78	$0.72	75%	6.43%	-
10/07/2007	4 years	$0.53	$0.78	$0.84	75%	6.21%	-
31/01/2008	2.5 years	$0.52	$1.02	$0.90	82%	6.61%	-
31/01/2008	2.5 years	$0.48	$1.02	$0.84	75%	6.61%	-
31/01/2008	2.5 years	$0.22	$1.02	$0.52	75%	6.15%	-
23/05/2008 *	4 years	$1.41	$2.04	$2.14	82%	6.65%	-
23/05/2008	4.5 years	$1.59	$1.45	$2.14	82%	6.65%	-
18/07/2008 *	4 years	$0.87	$2.04	$1.51	82%	6.65%	-
5/06/2009	3 years	$0.39	$0.75	$0.69	89%	4.56%	-

* These options were cancelled in June 2009

13. REMUNERATION REPORT (cont'd)

13.2 Directors and executive officers remuneration (Company and consolidated)

Equity instruments

Options were granted in the company during the year ended 30 June 2009. The Board may offer free options to persons ("Eligible Persons") who are:

(i) full time or part time employees or contractors (including a person engaged by the Company under a consultancy agreement); or

(ii) Directors of the Company or any subsidiary based on a number of criteria including contribution to the Company, period of employment, potential contribution to the Company in the future and other factors the Board considers relevant.

The terms and conditions of each grant of options affecting remuneration in this or future reporting periods are as follows:

Company and consolidated

Grant date	Expiry date	Exercise Price *	Value per option at grant date	Date exercisable
10/07/2007	30/06/2011	$0.678	$0.42	Immediate
31/01/2008	30/06/2011	$0.999	$0.48, $0.52 & $0.22	Immediate
23/05/2008	30/06/2012	# $2.04	$1.41	Immediate
23/05/2008	31/12/2012	$1.45	$1.59	30/11/2008
18/07/2008	30/06/2012	# $2.04	$0.87	Immediate
5/06/2009	30/06/2012	$0.75	$0.39	Immediate

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share within fourteen days after the receipt of a properly executed notice of exercise and application monies. The Company will issue to the option holder, the number of shares specified in that notice. The Company will apply for official quotation of all shares issued and allotted pursuant to the exercise of the options.

Options may not be transferred other than to an associate of the holder.

* The exercise price of options will be reduced by the amount per share of the book value of any reduction in capital.

These options were cancelled on 5/06/2009.

13.3 Options and rights over equity instruments granted as compensation

Details on options over ordinary shares in the Company and consolidated entity that were granted as compensation to each key management person during the reporting period, and details on options that were vested during the reporting period, are as follows:

13. REMUNERATION REPORT (cont'd)

13.3 Options and rights over equity instruments granted as compensation (cont'd)

COMPANY AND CONSOLIDATED	Number of options granted during 2009	Grant date	Number of options vested during 2009	Fair value per option at grant date ($)	Exercise price per option ($)	Expiry date
Directors	-	-	-	-	-	-
Executives						
B R Acutt	250,000*	18/07/2008	250,000	$0.87	$2.04	30/06/2012
	250,000	5/06/2009	250,000	$0.39	$0.75	30/06/2012
J D Goldsworthy	500,000**	5/06/2009	500,000	$0.39	$0.75	30/06/2012

* These options were cancelled on 5/06/2009.

** These options were issued on cancellation of 500,000 options issued on 23/05/2008.

There were no options granted in the Company subsequent to the end of the reporting period.

13.4 Modifications of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period or prior period, apart from the 1,175,000 options exercisable at $2.04 which were granted on 18/07/2008 and were cancelled on 5/06/2009.

13.5 Exercise of options granted as compensation

During the reporting period no shares were issued to key management personnel on the exercise of options previously granted as compensation in the company and its subsidiaries.

13.6 Analysis of options and rights over equity instruments granted as compensation

Details of vesting profiles of the options granted as remuneration to key management personnel of the Company and Consolidated entity and each of the named Company and Consolidated entity executives are detailed below:

	Options granted		% vested in year	Cancelled in year	Financial years in which grant vests
	Number	Date			
Directors	-	-	-	-	-
Executives					
B R Acutt	175,000	10/07/2007	100%	-	01/07/2007
	150,000	31/01/2008	100%	-	01/07/2007
	250,000 *	18/07/2008	100%	100%	01/07/2008
	250,000	5/06/2009	100%	-	01/07/2008

13. REMUNERATION REPORT (cont'd)

13.6 Analysis of options and rights over equity instruments granted as compensation (cont'd)

	Options granted		% vested in year	Cancelled in year	Financial years in which grant vests
	Number	Date			
Executives					
J D Goldsworthy	200,000	10/07/2007	100%	-	01/07/2007
	300,000	31/01/2008	100%	-	01/07/2007
	500,000	23/05/2008	100%	-	01/07/2007
	500,000*	23/05/2008	100%	100%	01/07/2008
	500,000	5/06/2009	100%	-	01/07/2008

* These options were cancelled on 5/06/2009.

13.7 Analysis of movements in options

The movement during the reporting period, by value, of options over ordinary shares in the Company and controlled entities held by each key management personnel are detailed below:

Company & Consolidated

	Value of Options		
	Granted in year $ (A)	Exercised in year $ (B)	Lapsed in year $ (C)
R M Joyce	-	-	-
G D Riley	-	-	-
S A Macdonald	-	-	-
B R Acutt	316,700	-	218,825 *
J D Goldsworthy	801,950	-	703,174 *
* Cancelled			

(A) The value of options granted in the year is the fair value of the options calculated at grant date using a Black-Scholes valuation tool. The total value of the options granted is included in the table above. This amount is allocated to remuneration over the vesting period (ie. in years 1 July 2007 to 1 July 2010).

(B) The value of options exercised during the year is calculated as the market price of shares of the Company as at close of trading on the date the options were exercised after deducting the price paid to exercise the option.

(C) The value of the options that lapsed during the year represents the benefit forgone and is calculated at the date the option lapsed using a Black-Scholes valuation tool assuming the performance criteria had been achieved. No options lapsed in the year. 1,175,000 options exercisable at $2.04 which were issued on 18 July 2008, were cancelled on 5 June 2009.

14. SHARE OPTIONS

Options granted to directors and executives of the Company

During or since the end of the financial year, the Company granted options for no consideration over unissued ordinary shares in the Company to the following directors and to the following most highly remunerated executives of the Company, as part of their remuneration:

COMPANY & CONSOLIDATED	Number of options granted	Exercise price	Expiry date
Executives			
B R Acutt	* 250,000	$2.04	30/06/2012
	250,000	$0.75	30/06/2012
J D Goldsworthy	500,000	$0.75	30/06/2012

* The above options were granted and cancelled in the financial year.

Unissued shares under options

At the date of this report unissued ordinary shares of the Company and consolidated entity under option are:

COMPANY AND CONSOLIDATED

Date options granted	Expiry date	Exercise price of options	Number under option
29/11/2005	29/11/2010	$0.16	1,000,000
29/11/2005	29/11/2010	$0.21	1,000,000
10/07/2007	30/06/2011	$0.68	550,000
31/01/2008	30/06/2011	$1.00	650,000
23/05/2008	31/12/2012	$1.45	500,000
5/06/2009	30/06/2012	$0.75	1,250,000

The exercise price of the options has been reduced due to the in-specie distributions made by the company.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued on exercise of options

During or since the end of the financial year, the Company and consolidated entity did not issue ordinary shares as a result of the exercise of options.

15. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Insurance premiums

During the financial year the Company has indemnified or made a relevant agreement to indemnify an officer of the Company or of any related body corporate against liability incurred by an officer but not an auditor. In addition, the Company has paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer but not an auditor.

15. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS (cont'd)

Insurance premiums (cont'd)

The Company has paid insurance premiums in respect of directors' and officers' liability and legal expenses insurance contracts, for current officers including senior executives of the Company and directors, senior executives and secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcomes; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

The premiums were paid in respect of the following officers of the Company and its controlled entities:

G D Riley
R M Joyce
S A Macdonald
B R Acutt
J D Goldsworthy

No indemnification or insurance has been paid for the auditors.

16. ENVIRONMENTAL REGULATION

The consolidated entity's operations are subject to environmental regulations in relation to its exploration activities. The directors are not aware of any significant breaches during the period covered by this report.

17. NON AUDIT SERVICES

During the year KPMG, the Company's auditor, has not performed any other services in addition to their statutory duties.

Remuneration paid to the Auditors of the Company, KPMG Australia, during the reporting period is as follows:

	Consolidated		The Company	
	2009	2008	2009	2008
AUDITORS' REMUNERATION	$	$	$	$
Audit services:				
Auditors of the Company - KPMG Australia audit and review of company reports	74,000	103,000	74,000	103,000
Under-provision for prior year	35,000	-	35,000	-
Other auditors	-	-	-	-
	109,000	103,000	109,000	103,000

17. NON AUDIT SERVICES (cont'd)

A copy of the lead auditors' independence declaration, as required under Section 370C of the Corporations Act, is included in the Directors' Report.

Dated at Perth this 30th day of September 2009

Signed in accordance with a resolution of the Directors.

G D RILEY
Chairman

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Giralia Resources NL

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

R Gambitta
Partner

Perth

30 September 2009

GIRALIA RESOURCES NL AND ITS CONTROLLED ENTITIES
INCOME STATEMENTS
for the year ended 30 June 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Revenue for services rendered	21	96,000	96,000	96,000	96,000
Other income					
Profit from sale of tenements		-	25,000	-	25,000
Gain on disposal of property, plant and equipment	10	3,409	-	3,409	-
Underwriting Fee	21	63,307	-	63,307	-
Gain on disposal of subsidiaries	23	-	19,649,158	-	22,107,737
Total income		162,716	19,770,158	162,716	22,228,737
Impairment loss on exploration expenditure	12	(2,992,904)	(387,206)	(2,834,923)	(178,622)
Director's fees		(243,000)	(238,333)	(243,000)	(203,333)
Employee benefits expense		(2,130,583)	(2,556,052)	(2,130,583)	(2,006,710)
Depreciation expense	5	(51,563)	(18,703)	(51,563)	(17,746)
Impairment loss on financial assets	5	(3,513,714)	(3,490,216)	(3,513,714)	(3,490,216)
Impairment loss on loan to subsidiary		-	-	(157,981)	(208,584)
Change in fair value on in-specie distribution		-	(1,728,601)	-	(1,728,601)
Other operating expenses		(722,351)	(857,744)	(722,351)	(635,788)
(Loss)/profit before financing and tax		(9,491,399)	10,493,303	(9,491,399)	13,759,137
Financial income		21,048,770	28,575,174	21,048,770	28,462,236
Financial expenses		(123,157)	(1,448,609)	(123,157)	(1,448,609)
Net financing income	4	20,925,613	27,126,565	20,925,613	27,013,627
Profit before income tax		11,434,214	37,619,868	11,434,214	40,772,764
Income tax expense	8	(3,879,557)	(7,900,650)	(3,926,951)	(7,900,650)
Profit for the period		7,554,657	29,719,218	7,507,263	32,872,114
Attributable to:					
Equity holders of the Company		7,554,657	30,039,034	7,507,263	32,872,114
Minority interest		-	(319,816)	-	-
Profit for the period		7,554,657	29,719,218	7,507,263	32,872,114
Earnings per share:					
Basic earnings per share	6	0.042	0.185		
Diluted earnings per share	6	0.042	0.182		

The Income Statements are to be read in conjunction with the notes to the Financial Statements

GIRALIA RESOURCES NL AND ITS CONTROLLED ENTITIES
BALANCE SHEETS
as at 30 June 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Current Assets					
Cash and cash equivalents		67,120,768	56,083,102	67,120,768	56,083,102
Receivables	9	2,038,612	1,195,887	2,038,612	1,195,887
Other financial assets	13	586,905	626,032	586,905	626,032
Total Current Assets		69,746,285	57,905,021	69,746,285	57,905,021
Non-Current Assets					
Receivables	9	-	-	2,477,766	2,515,282
Plant and equipment	10	264,298	63,387	264,298	63,387
Exploration and evaluation expenditure	12	13,295,393	8,826,266	9,687,979	5,233,006
Other financial assets	13	4,102,766	27,191,680	4,102,766	27,191,680
Total Non-Current Assets		17,662,457	36,081,333	16,532,809	35,003,355
Total Assets		87,408,742	93,986,354	86,279,094	92,908,376
Current Liabilities					
Payables	14	186,751	476,753	186,751	476,753
Employee benefits	15	272,477	209,087	272,477	209,087
Current tax payable	8	3,792,410	2,575,714	3,792,410	2,575,714
Total Current Liabilities		4,251,638	3,261,554	4,251,638	3,261,554
Non-Current Liabilities					
Employee benefits	15	148,324	134,583	148,324	134,583
Deferred tax liabilities	11	4,591,400	9,856,924	3,509,146	8,778,946
Total Non-Current Liabilities		4,739,724	9,991,507	3,657,470	8,913,529
Total Liabilities		8,991,362	13,253,061	7,909,108	12,175,083
Net Assets		78,417,380	80,733,293	78,369,986	80,733,293
Equity					
Issued capital	16	29,340,345	28,283,437	29,340,345	28,283,437
Fair value reserve	17	992,877	13,606,757	992,877	13,606,757
Accumulated profits		48,084,158	38,843,099	48,036,764	38,843,099
Total Equity		78,417,380	80,733,293	78,369,986	80,733,293

The Balance Sheets are to be read in conjunction with the notes to the Financial Statements

GIRALIA RESOURCES NL

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2009

	Issued Capital $	Accumulated Profits/(losses) $	Fair Value Reserve $	Total $	Minority Interest $	Total Equity
At 1 July 2007	21,498,780	7,300,396	16,248,082	45,047,258	1,969,318	47,016,576
Profit for the period	-	30,039,034	-	30,039,034	(319,816)	29,719,218
Change in fair value of financial assets available for sale (net of tax)	-	-	(2,641,325)	(2,641,325)	-	(2,641,325)
Issue of share capital	22,750,000	-	-	22,750,000	-	22,750,000
Share issue expenses (net of tax)	(16,137)	-	-	(16,137)	-	(16,137)
Share based payment	-	1,920,329	-	1,920,329	198,715	2,119,044
Exercise of options	84,060	-	-	84,060	-	84,060
In-specie distribution of:						
- Zinc Co Australia Ltd shares	(12,802,606)	-	-	(12,802,606)	-	(12,802,606)
- Carpentaria Exploration Ltd shares	(3,265,414)	-	-	(3,265,414)	-	(3,265,414)
Disposal of subsidiary	34,754	(416,660)		(381,906)	(1,848,217)	(2,230,123)
At 30 June 2008	28,283,437	38,843,099	13,606,757	80,733,293	-	80,733,293
Total recognised income and expense for the period	-	30,039,034	(2,641,325)	27,397,709	(319,816)	27,077,893
At 1 July 2008	28,283,437	38,843,099	13,606,757	80,733,293	-	80,733,293
Profit for the period	-	7,554,657	-	7,554,657	-	7,554,657
Change in fair value of financial assets available for sale (net of tax)	-	-	(12,613,880)	(12,613,880)	-	(12,613,880)
Issue of share capital	1,060,000	-	-	1,060,000	-	1,060,000
Share issue expenses (net of tax)	(3,092)	-	-	(3,092)	-	(3,092)
Share based payments	-	1,686,402	-	1,686,402	-	1,686,402
At 30 June 2009	29,340,345	48,084,158	992,877	78,417,380	-	78,417,380
Total recognised income and expense for the period	-	7,554,657	(12,613,880)	(5,059,223)	-	(5,059,223)

The Statement of Equity is to be read in conjunction with the notes to the Financial Statements

GIRALIA RESOURCES NL

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2009

	Issued Capital $	Accumulated (Losses)/Profits $	Fair Value Reserve $	Total Equity $
At 1 July 2007	21,533,534	4,467,316	16,248,082	42,248,932
Profit for the period		32,872,114		32,872,114
Change in fair value of financial assets available for sale (net of tax)			(2,641,325)	(2,641,325)
Issue of share capital	22,750,000			22,750,000
Share issue expenses (net of tax)	(16,137)			(16,137)
Share based payment		1,503,669		1,503,669
Exercise of options	84,060			84,060
Distribution to shareholders				
In-specie distribution of:				
- Zinc Co Australia Ltd shares	(12,802,606)			(12,802,606)
- Carpentaria Exploration Ltd shares	(3,265,414)			(3,265,414)
At 30 June 2008	28,283,437	38,843,099	13,606,757	80,733,293
Total recognised income and expense for the period	-	32,872,114	(2,641,325)	30,230,789
At 1 July 2008	28,283,437	38,843,099	13,606,757	80,733,293
Profit for the period	-	7,507,263	-	7,507,263
Change in fair value of financial assets available for sale (net of tax)	-	-	(12,613,880)	(12,613,880)
Issue of share capital	1,060,000	-	-	1,060,000
Share issue expenses (net of tax)	(3,092)	-	-	(3,092)
Share based payments	-	1,686,402	-	1,686,402
At 30 June 2009	29,340,345	48,036,764	992,877	78,369,986
Total recognised income and expense for the period	-	7,507,263	(12,613,880)	(5,106,617)

The Statement of Equity is to be read in conjunction with the notes to the Financial Statements

GIRALIA RESOURCES NL

GIRALIA RESOURCES NL AND ITS CONTROLLED ENTITIES
STATEMENTS OF CASH FLOWS
for the year ended 30 June 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	The Company 2009 $	The Company 2008 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash paid to suppliers and employees		(2,239,766)	(1,755,358)	(2,239,766)	(1,269,376)
Interest received		4,174,406	625,709	4,174,406	512,771
Income Tax Paid		(2,521,113)	-	(2,521,113)	-
Receipts for service agreements		96,000	96,000	96,000	96,000
Net cash used in operating activities	ii)	(490,473)	(1,033,649)	(490,473)	(660,605)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of financial assets		18,503,331	28,144,881	18,503,331	28,144,881
Acquisition of plant and equipment		(252,474)	(77,674)	(252,474)	(48,919)
Payments for exploration expenditure		(4,225,888)	(3,169,618)	(4,058,888)	(2,972,749)
Payments for purchase of tenements		(2,241,193)	-	(2,241,193)	-
Receipts from farm-in agreement		65,050	-	65,050	-
Loans to controlled entities		-	-	(167,775)	(196,871)
Acquisition of investments		(382,986)	(1,536,125)	(382,987)	(1,536,125)
Proceeds on disposal of property, plant & equipment		3,409	-	3,409	-
Receipts from sale of tenements		-	25,000	-	25,000
Receipts from Underwriting agreement		63,307	-	63,307	-
Cash disposed of on disposal of subsidiaries		-	(4,394,677)	-	-
Net cash from/(used in) investing activities		11,532,556	18,991,787	11,531,780	23,415,217
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares and options	(a)	-	22,750,000	-	22,750,000
Share issue costs		(4,417)	(23,413)	(4,417)	(23,413)
Proceeds from issue of options		-	84,060	-	84,060
Net cash from financing activities		(4,417)	22,810,647	(4,417)	22,810,647
Net increase in cash and cash equivalents		11,037,666	40,768,785	11,037,666	45,565,259
Cash and cash equivalents at 1 July		56,083,102	15,314,317	56,083,102	10,517,843
Cash and cash equivalents at 30 June	i)	67,120,768	56,083,102	67,120,768	56,083,102

(a) The Company issued 2,000,000 ordinary shares at $0.53 each for the purchase of mineral tenements.

The Statements of Cash Flows are to be read in conjuction with the notes to the Financial Statements

GIRALIA RESOURCES NL AND ITS CONTROLLED ENTITIES
STATEMENTS OF CASH FLOWS
for the year ended 30 June 2009

	Consolidated 2009 $	Consolidated 2008 $	The Company 2009 $	The Company 2008 $
NOTE TO THE STATEMENT OF CASH FLOWS				
i) RECONCILIATION OF CASH FLOWS				
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at the bank and short term deposits at call. Cash and cash equivalents as at the end of the financial year comprises of the following:				
Cash on hand and at bank	107,361	137,831	107,361	137,831
Deposits on call	2,600,730	748,131	2,600,730	748,131
Bank bills	64,412,677	55,197,140	64,412,677	55,197,140
	67,120,768	56,083,102	67,120,768	56,083,102
ii) RECONCILIATION OF OPERATING PROFIT AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES				
Operating profit after income tax	7,554,657	29,719,218	7,507,263	32,872,114
Add/(less) non-cash items:				
Gain on sale of plant and equipment	(3,409)	-	(3,409)	-
Impairment of exploration expenditure (Note 12)	2,992,904	387,206	2,834,923	178,622
Impairment loss on loan to subsidiary (Note 9)	-	-	157,981	208,584
Depreciation	51,563	18,703	51,563	17,746
Profit on sale of tenements	-	(25,000)	-	(25,000)
Share based payment (Note 5)	1,686,402	1,920,329	1,686,402	1,503,669
Gain on disposal of subsidiary (Note 23)	-	(19,649,158)	-	(22,107,737)
Gain on disposal of financial asset (Note 4)	(16,649,002)	(26,993,953)	(16,649,002)	(26,993,953)
Change in fair value on distribution (Note 5)	-	1,728,601	-	1,728,601
Change in fair value of financial assets at fair value through profit or loss (Note 4)	123,157	1,448,609	123,157	1,448,609
Impairment loss on available for sale financial assets (Note 5)	3,513,714	3,490,216	3,513,714	3,490,216
Tax expense (Note 8)	3,879,557	7,900,650	3,926,951	7,900,650
Net cash from/(used in) operating activities before change in assets and liabilities	3,149,543	(54,579)	3,149,543	222,121
Change in assets and liabilities during the financial year:				
Increase in receivables	(842,725)	(1,288,792)	(842,725)	(1,124,537)
(Decrease)/increase in payables	(290,002)	222,373	(290,002)	154,462
Increase in provisions	77,131	87,349	77,131	87,349
	2,093,947	(1,033,649)	2,093,947	(660,605)
Tax paid	(2,521,113)	-	(2,521,113)	-
Underwriting income for investments	(63,307)	-	(63,307)	-
Net cash used in operating activities	(490,473)	(1,033,649)	(490,473)	(660,605)

1: REPORTING ENTITY

Giralia Resources NL (the "Company") is a company domiciled in Australia. The consolidated financial report of the Company for the year ended 30 June 2009 comprises the Company and its subsidiaries (together referred to as the "consolidated entity"). The financial report was authorised for issue by the Board of Directors on 30th September 2009. The address of the Company's registered office is Level 2, 33 Ord Street, West Perth. The consolidated entity is involved in mining and exploration activities.

2: BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standard Board (AASB) and the Corporations Act 2001.

The consolidated financial report of the consolidated entity and the financial report of the Company comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (AASB).

(b) Basis of measurement

The financial report is prepared on the historical cost basis except that certain derivative financial instruments, financial instruments at fair value through profit or loss and available for sale financial assets are stated at their fair value.

(c) Functional and presentation currency

The financial report is presented in Australian dollars which is the Company's functional currency and the functional currency of all entities within the consolidated entity.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The estimates and judgements that may have a significant impact on the carrying amount of assets and liabilities are discussed below.

- Impairment of exploration and evaluation assets and loans to subsidiaries

The ultimate recoupment of the value of exploration and evaluation assets and loans to subsidiaries is dependent on successful development and commercial exploitation or alternatively, sale, of the underlying mineral exploration properties. The consolidated entity undertakes at least on an annual basis, a comprehensive review for indicators of impairment of the assets. Should an impairment indicator exist, the area of interest is tested for impairment. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of estimation and judgement in determining recoverable amounts include:

- reserves and resource estimates;
- environmental issues that may impact the underlying tenements:

2: BASIS OF PREPARATION (cont'd)

- independent valuations of underlying assets that may be available;
- fundamental economic factors such as the metals prices, metals exchange rates and current and anticipated operating costs in the industry;
- the consolidated entity's market capitalisation compared to its net assets.

Information used in the review process is rigorously tested to externally available information, as appropriate.

3: SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial report. The accounting policies have been applied consistently by all entities in the consolidated entity.

(a) Revenue

Revenue from services rendered is recognised in the income statement in proportion to the services provided.

(b) Financial Income

Financial Income
Financial income includes gain on re-measurement of financial assets at fair value through profit or loss and gains or disposal of available for sale financial assets.

Interest income is recognised in the income statement as it accrues, using the effective interest method.

Finance Expenses
Finance expenses include loss on re-measurement of financial assets at fair value through profit or loss.

(c) Other Income

Sale of Non-current Assets
Profit on sale of tenements is recognised at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

(d) Plant and equipment

Items of plant and equipment are stated at their cost less accumulated depreciation (see below) and impairment losses (see accounting policy 3(p)).

Acquisitions of assets
All assets acquired, including plant and equipment, are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

3: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Depreciation

Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is charged to the income statement.

Items of plant and equipment are depreciated over their estimated useful lives. The estimated useful lives for each class of asset for the current and previous years are as follows:

	Period	Method
- Plant and equipment	3-10 yrs	Straight line
- Office furniture and fittings	10 yrs	Straight line

The straight line method of depreciation is used. Assets are depreciated from the date of acquisition. The residual value, if not significant, is reassessed annually.

(e) Operating Leases

Payments made under operating leases are expensed on a straight line basis over the term of the lease.

(f) Exploration and evaluation assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the consolidated entity has obtained the legal rights to explore an area are recognised in the income statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount [see impairment accounting policy 3(p)]. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit is never larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

(g) Trade and other payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 60-day terms.

3: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Employee Benefits

Wages, Salaries and Annual Leave

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Long Service Leave

The provision for employee benefits to long service leave is the amount of future benefit that employees have earned in return for their services in the current and prior periods.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to Commonwealth government bonds at reporting date which most closely match the terms of maturity of the related liabilities.

Defined Contribution Superannuation Funds

The Company contributes to a defined contribution plan. Contributions are recognised as an expense in the income statement as incurred.

Share-based payment transactions

The fair value of options granted by the Board to employees is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

(i) Share Capital

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(j) Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to Australian dollars at the foreign exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on retranslation are recognised in the income statement.

3: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(l) Provisions

A provision is recognised in the balance sheet when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Restoration
Provisions are made for estimated costs relating to the remediation of soil, groundwater and untreated waste as soon as the need is identified.

(m) Financial instruments

Investments in equity securities
Financial instruments classified as held at fair value through profit and loss (including held for trading) are stated at fair value, with any resultant gain or loss recognised in the income statement.
Financial instruments classified as being available-for-sale are stated at fair value, with any resultant gain or loss recognised directly in equity, except for impairment losses (see accounting policy 3(p)). When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

The fair value of financial instruments classified as held for trading and available-for-sale is their quoted bid price at the balance sheet date.

Financial instruments classified as held for trading and available-for-sale investments are recognised/ derecognised by the consolidated entity on the date it commits to purchase/sell the investments.

(n) Receivables

Receivables are stated at their amortised cost less impairment losses.

(o) Cash and Cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of six months or less.

3: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Impairment

The carrying amounts of the consolidated entity's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

(i) Calculation of recoverable amount
The recoverable amount of the consolidated entity's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment
Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(iii) Derecognition of financial assets and liabilities
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;

3: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- the consolidated entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party; or
- the consolidated entity has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit and loss.

(q) Basis of Consolidation

Subsidiaries
Subsidiaries are entities controlled by the consolidated entity. Control exists when the consolidated entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial report from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements, less impairment losses [see accounting policy 3(p)].

Transactions eliminated on consolidation
Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the consolidated entity's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Gain/(loss) on dilution and disposal
Any gain/(loss) on dilution of controlling stake in a controlled entity is recognised in equity on the date control is diluted for the consolidated entity. Upon disposal this is transferred to income statement.

In-specie distribution
In-specie distributions are recognised at fair value on the date of distribution.

Jointly controlled operations and assets
The interest of the consolidated entity in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in its financial statements the assets it controls, the liabilities that it incurs, the expenses it incurs and share of income that it earns from the sale of goods or services by the joint venture.

(r) Earnings Per Share

The consolidated entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise share options granted to employees.

3: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Segment Reporting

Individual business segments have been identified on the basis of grouping individual products or services subject to similar risks and returns. The company operates predominantly in one geographical segment, being Australia.

(t) Taxation

Income tax on the income statement for the periods presented comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax consolidation
The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is Giralia Resources NL.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

(u) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entitiy in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report.

3: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- *Revised AASB 3 Business Combinations* (2008) incorporates the following changes that are likely to be relevant to the Group's operations:
  - The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
  - Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit and loss.
  - Transaction costs, other than share and debt issue costs, will be expensed as incurred.
  - Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
  - Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

  Revised AASB3, which becomes mandatory for the Group's 30 June 2010 financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statement.
- Amended AASB 127 *Consolidated and Separate Financial Statements* (2008) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to AASB 127, which become mandatory for the Group's 30 June 2010 financial statements, are not expected to have a significant impact on the consolidated financial statements.
- AASB 8 *Operating Segments* introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Group's 30 June 2010 financial statements, will require a change in the presentation on and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently, the Group presents segment information in respect of its business and geographical segments (see note 24). The adoption of AASB 8 is unlikely to result in an increase in the number of reportable segments presented.
- Revised AASB 101 *Presentation of Financial Statements* (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement) or, in an income statement and a separate statement of comprehensive income. Revised AASB 1091, which becomes mandatory for the Group's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements. The Group plans to provide total comprehensive income in a single statement of comprehensive income for its 2010 consolidated financial statements.
- AASB 2008-1 *Amendments to Australian Accounting Standard – Share-based Payment: Vesting Conditions and Cancellations* clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non–vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to AASB 2 will be mandatory for the Group's 30 June 2010 financial statements, with retrospective application. The Group has not yet determined the potential effect of the amendment.

3: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Process and 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process affects various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2010 financial statements, are not expected to have any impact on the financial statements.
- AASB 2008-7 Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate changes the recognition and measurement dividend receipts as income and addresses the accounting of a newly formed parent entity in the separate financial statement. The amendments become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the amendments.
- AI 17 Distributions of a Non-Cash Assets to Owners provides guidance in respect of measuring the value of distributions on non-cash assets to owners. AI 17 will become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the Interpretation.

4: NET FINANCING INCOME

	Consolidated 2009 $	Consolidated 2008 $	The Company 2009 $	The Company 2008 $
Finance Income				
Gain on disposal of available for sale financial asset	16,649,002	26,993,953	16,649,002	26,993,953
Interest income	4,399,768	1,581,221	4,399,768	1,468,283
Finance Income	21,048,770	28,575,174	21,048,770	28,462,236
Finance Expenses				
Net change in fair value of financial assets designated at fair value through profit or loss	(123,157)	(1,448,609)	(123,157)	(1,448,609)
Finance expenses	(123,157)	(1,448,609)	(123,157)	(1,448,609)
Net financing income	20,925,613	27,126,565	20,925,613	27,013,627

The gain on disposal of available for sale financial asset represents the gain on sale of 2,643,333 (2008: 4,000,000) Red Hill Iron Ltd shares on 1 July 2008 (2008: 23 April 2008).

5: OTHER EXPENSES

		Consolidated 2009 $	Consolidated 2008 $	The Company 2009 $	The Company 2008 $
Change in fair value on distribution	(i)	-	(1,728,601)	-	(1,728,601)
Depreciation of:					
~ plant and equipment		(47,775)	(15,976)	(47,775)	(15,019)
~ furniture and fittings		(3,788)	(2,727)	(3,788)	(2,727)
Amounts set aside to provision for:					
~ employee benefits		(77,131)	(87,349)	(77,131)	(87,349)
Operating lease rental expenses		(103,212)	(77,471)	(103,212)	(77,471)
Contribution to defined contribution superannuation funds		(82,202)	(88,010)	(82,202)	(88,010)
Equity settled share based payment transactions		(1,686,402)	(1,920,329)	(1,686,402)	(1,503,669)
Impairment loss on loan to subsidiary		-	-	(157,981)	(208,584)
Impairment loss on other financial assets		(3,513,714)	(3,490,216)	(3,513,714)	(3,490,216)

(i) The change in fair value on distribution represents the changes in value of Zinc Co Australia Ltd and Carpentaria Exploration Ltd shares between the date of approval of distribution by shareholders and the distribution date during the previous year.

6: EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30 June 2009 was based on the profit attributable to ordinary shareholders of $7,554,657 (2008: profit of $30,039,034) and a weighted average number of ordinary shares outstanding of 177,565,992 (2008: 162,216,266), calculated as follows:

	Consolidated 2009 $	Consolidated 2008 $
Profit attributable to ordinary shares	7,554,657	30,039,034

	No. of Shares	No of Shares
Weighted average number of ordinary shares (in thousands of shares)	000	000
Issued ordinary shares at 1 July	176,185	158,585
Effect of shares issued on exercise of options November 08	-	32
Effect of shares issued on share placement April 09	-	3,596
Effect of shares issued on exercise of options June 09	-	3
Effect of shares issued for mineral tenement Oct 08	1,381	-
Weighted average number of ordinary shares at 30 June	177,566	162,216

Diluted earnings per shares

The calculation of diluted earnings per shares at 30 June 2009 was based on the profit attributable to ordinary shareholders of $$7,554,657 (2008: profit of $30,039,034) and a weighted average number of ordinary shares outstanding of 178,994,693 (2008: 165,044,226), calculated as follows:

	2009	2008
Weighted average number of ordinary shares (diluted) (in thousands of shares)	No. of Shares	No. of Shares
Weighted average number of ordinary shares (basic)	177,566	162,216
Effect of share options on issue	1,429	2,828
Weighted average number of ordinary shares (diluted) at 30 June	178,995	165,044

	Consolidated		The Company	
	2009	2008	2009	2008
7: AUDITORS' REMUNERATION	$	$	$	$
Audit services:				
Auditors of the Company - KPMG Australia audit and review of company reports	74,000	103,000	74,000	103,000
Under-provision for prior year	35,000	-	35,000	-
Other auditors	-	-	-	-
	109,000	103,000	109,000	103,000

Notes to the Consolidated Financial Statements
for the year ended 30 June 2009 (cont'd)

	Consolidated		The Company	
	2009	2008	2009	2008
8: INCOME TAX EXPENSE	$	$	$	$
Current tax expense				
Current year (i)	3,792,410	2,635,728	3,844,080	2,635,728
Adjustments for prior periods	(54,601)	(60,014)	(54,601)	(60,014)
	3,737,809	2,575,714	3,789,479	2,575,714
Deferred tax expense				
Origination and reversal of temporary differences	161,111	5,324,936	156,835	5,324,936
Adjustment for prior periods	(19,363)	-	(19,363)	-
	141,748	5,324,936	137,472	5,324,936
Total income tax expense in income statement	3,879,557	7,900,650	3,926,951	7,900,650

(i) The current year balance represents the amount payable for tax in respect of the current year amounting to $3,792,410 (2008: $2,575,714).

	Consolidated		The Company	
	2009	2008	2009	2008
Numerical reconciliation between tax expense and pre-tax accounting profit				
Profit before tax	11,434,214	37,619,868	11,434,214	40,772,764
Income tax using the corporate tax rate of 30% (2008: 30%)	3,430,264	11,285,960	3,430,264	12,231,829
Increase in income tax expense due to:				
Share based payments	505,921	576,099	505,921	451,101
Non-deductible expenditure	3,107	2,470	3,107	2,470
Tax effect on capital gain on sale of subsidiary	-	43,467	-	43,467
Subsidiary losses for the period	-	83,297	-	-
Decrease in income tax expense due to:				
Non-taxable profit on disposal of subsidiary and in-specie distribution	-	(4,569,663)	-	(5,307,237)
Writedown on loans to subsidiaries	-	-	47,394	
Change in fair value on distribution	-	518,580	-	518,580
Investment allowance	(10,438)	-	(10,438)	-
Foreign losses	(14,059)	-	(14,059)	
Over provision in prior year	(35,238)	(60,014)	(35,238)	(60,014)
Others	-	20,454	-	20,454
Income tax expense on pre-tax net profit	3,879,557	7,900,650	3,926,951	7,900,650

Notes to the Consolidated Financial Statements for the year ended 30 June 2009 (cont'd)

	Consolidated		The Company	
	2009	2008	2009	2008
8: INCOME TAX EXPENSE (cont'd)	$	$	$	$
Deferred tax recognised directly in equity				
Fair value adjustments on assets classified as available for sale	(5,405,946)	(1,131,995)	(5,405,946)	(1,131,995)
Capital raising costs	(1,326)	(7,276)	(1,326)	(7,276)
	(5,407,272)	(1,139,271)	(5,407,272)	(1,139,271)

	Consolidated		The Company	
	2009	2008	2009	2008
9: RECEIVABLES	$	$	$	$
Current				
Interest receivable	1,185,810	960,448	1,185,810	960,448
Prepayment	500,000	-	500,000	-
Others	352,802	235,439	352,802	235,439
	2,038,612	1,195,887	2,038,612	1,195,887
Non-Current				
Loan to subsidiaries	-	-	2,844,331	2,723,866
Less: Impaired losses	-	-	(366,565)	(208,584)
Net	-	-	2,477,766	2,515,282

The loan to the subsidiary is unsecured, interest free and is repayable at call. The loan is provided to fund exploration expenditure by the subsidiary. Accordingly, the ultimate recoupment of the loan and the investment in the subsidiary is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas.

	Consolidated		The Company	
	2009	2008	2009	2008
10: PLANT AND EQUIPMENT	$	$	$	$
Plant and Equipment				
At cost	367,826	184,115	367,826	184,115
Accumulated depreciation	(124,354)	(126,052)	(124,354)	(126,052)
	243,472	58,063	243,472	58,063

	Consolidated		The Company	
	2009	2008	2009	2008
10: PLANT & EQUIPMENT (cont'd)	$	$	$	$
Office Furniture and Fittings				
At cost	45,369	26,149	45,369	26,149
Accumulated depreciation	(24,543)	(20,825)	(24,543)	(20,825)
	20,826	5,324	20,826	5,324
Total - net book value	264,298	63,387	264,298	63,387

Reconciliations

Reconciliations of the carrying amounts for each class of plant and equipment are set out below:

	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
Plant and Equipment				
Carrying amount at beginning of year	58,063	35,802	58,063	24,923
Additions	233,184	76,914	233,184	48,159
Disposals (i)	-	(38,677)	-	-
Depreciation	(47,775)	(15,976)	(47,775)	(15,019)
Carrying amount at end of year	243,472	58,063	243,472	58,063
Office Furniture and Fittings				
Carrying amount at beginning of year	5,324	19,469	5,324	7,291
Additions	19,290	760	19,290	760
Disposals	-	(12,178)	-	-
Depreciation	(3,788)	(2,727)	(3,788)	(2,727)
Carrying amount at end of year	20,826	5,324	20,826	5,324

(i) During the year, assets to the value of $49,610 were written off and one sold for $3,409. As these assets were previously written down to zero, there was no impact on the accounts, other than a gain on disposal of $3,409.

11: DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2009	2008	2009	2008	2009	2008
Consolidated						
Plant and equipment	-	(2,743)	424	-	424	(2,743)
Capital raising costs	(26,354)	(35,512)	-	-	(26,354)	(35,512)
Receivables	-	-	354,068	288,135	354,068	288,135
Other financial assets	-	-	267,353	7,121,213	267,353	7,121,213
Exploration expenditure	-	-	3,988,649	2,610,522	3,988,649	2,610,522
Other creditors	(16,500)	(21,591)	-	-	(16,500)	(21,591)
Provisions	(126,240)	(103,100)	-	-	(126,240)	(103,100)
Prepayments	-	-	150,000	-	150,000	-
Net tax (assets)/liabilities	(169,094)	(162,946)	4,760,494	10,019,870	4,591,400	9,856,924
Set-off tax	169,094	162,946	(169,094)	(162,946)	-	-
Net tax (assets) liabilities	-	-	4,591,400	9,856,924	4,591,400	9,856,924
Company						
Plant and equipment	-	(2,743)	424	-	424	(2,743)
Capital raising costs	(26,354)	(35,512)	-	-	(26,354)	(35,512)
Receivables	-	-	354,068	288,135	354,068	288,135
Other financial assets	-	-	267,353	7,121,213	267,353	7,121,213
Exploration expenditure	-	-	2,906,395	1,532,544	2,906,395	1,532,544
Other creditors	(16,500)	(21,591)	-	-	(16,500)	(21,591)
Provisions	(126,240)	(103,100)	-	-	(126,240)	(103,100)
Prepayments	-	-	150,000	-	150,000	-
Net tax (assets)/liabilities	(169,094)	(162,946)	3,678,240	8,941,892	3,509,146	8,778,946
Set-off tax	169,094	162,946	(169,094)	(162,946)	-	-
Net tax (assets) liabilities	-	-	3,509,146	8,778,946	3,509,146	8,778,946

11: DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

Movement in temporary differences during the period

Consolidated	Balance 1 July 08	Recognised in income	Recognised in equity	Balance 30 June 09
Plant and equipment	(2,743)	3,167	-	424
Captial raising costs	(35,512)	10,484	(1,326)	(26,354)
Receivables	288,135	65,933	-	354,068
Other financial assets	7,121,213	(1,447,914)	(5,405,946)	267,353
Exploration expenditure	2,610,522	1,378,127	-	3,988,649
Other creditors	(21,591)	5,091	-	(16,500)
Provisions	(103,100)	(23,140)	-	(126,240)
Prepayments	-	150,000	-	150,000
	9,856,924	141,748	(5,407,272)	4,591,400

Company	Balance 1 July 08	Recognised in income	Recognised in equity	Balance 30 June 09
Plant and equipment	(2,743)	3,167	-	424
Captial raising costs	(35,512)	10,484	(1,326)	(26,354)
Receivables	288,135	65,933	-	354,068
Other financial assets	7,121,213	(1,447,914)	(5,405,946)	267,353
Exploration expenditure	1,532,544	1,373,851	-	2,906,395
Other creditors	(21,591)	5,091	-	(16,500)
Provisions	(103,100)	(23,140)	-	(126,240)
Prepayments	-	150,000	-	150,000
	8,778,946	137,472	(5,407,272)	3,509,146

11: DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

Movement in temporary differences during the period

	Balance 1 July 07	Recognised in income	Recognised in equity	Balance 30 June 08
Consolidated				
Plant and equipment	(1,251)	(1,492)	-	(2,743)
Captial raising costs	(66,719)	38,483	(7,276)	(35,512)
Receivables	1,478	286,657	-	288,135
Other financial assets	8,409,769	(156,561)	(1,131,995)	7,121,213
Exploration expenditure	1,721,696	888,826	-	2,610,522
Other creditors	(21,266)	(325)	-	(21,591)
Provisions	(76,896)	(26,204)	-	(103,100)
Tax value of loss carry forwards recognised	(4,295,552)	4,295,552	-	-
	5,671,259	5,324,936	(1,139,271)	9,856,924

	Balance 1 July 07	Recognised in income	Recognised in equity	Balance 30 June 08
Company				
Plant and equipment	(1,251)	(1,492)	-	(2,743)
Captial raising costs	(66,719)	38,483	(7,276)	(35,512)
Receivables	1,478	286,657	-	288,135
Other financial assets	8,409,769	(156,561)	(1,131,995)	7,121,213
Exploration expenditure	643,718	888,826	-	1,532,544
Other creditors	(21,266)	(325)	-	(21,591)
Provisions	(76,896)	(26,204)	-	(103,100)
Tax value of loss carry forwards recognised	(4,295,552)	4,295,552	-	-
	4,593,281	5,324,936	(1,139,271)	8,778,946

Unrecognised deferred tax assets (liabilities)

There are no unrecognised deferred tax assets (liabilities).

	Consolidated		Company	
12: EXPLORATION AND EVALUATION EXPENDITURE	2009 $	2008 $	2009 $	2008 $
Opening balance	8,826,266	6,261,528	5,233,006	2,438,879
Expenditure capitalised	7,462,031	3,169,618	7,289,896	2,972,749
Less: Disposal of subsidiaries	-	(217,674)	-	-
Impairment losses (i)	(2,992,904)	(387,206)	(2,834,923)	(178,622)
Closing balance	13,295,393	8,826,266	9,687,979	5,233,006

(i) Impairment loss on exploration expenditure denotes expenditure on tenements relinquished during the year and expenditure on unsuccessful areas of interest.

Exploration and evaluation activities have not yet reached a stage which permits a reasonable assessment of the existence of or otherwise of economically recoverable reserves. The ultimate recoupment of costs carried forward for exploration and evaluation is dependent upon the successful development and commercial exploitation, or sale of the respective areas of interest at an amount greater than the carrying value.

	Consolidated		Company	
13: OTHER FINANCIAL ASSETS	2009 $	2008 $	2009 $	2008 $
Current				
Financial assets at fair value through profit or loss	586,905	626,032	586,905	626,032
	586,905	626,032	586,905	626,032
Non-current				
Available for sale financial assets	4,052,378	25,047,439	4,052,378	25,047,439
Financial assets at fair value through profit or loss	50,388	2,144,241	50,388	2,144,241
	4,102,766	27,191,680	4,102,766	27,191,680

	Consolidated		Company	
14: PAYABLES	2009 $	2008 $	2009 $	2008 $
Trade creditors and accrued expenses	186,751	476,753	186,751	476,753

	Consolidated		Company	
15: EMPLOYEE BENEFITS	2009 $	2008 $	2009 $	2008 $
Current				
Employee benefits: Liability for annual leave	272,477	209,087	272,477	209,087
Non-current				
Employee benefits: Liability for long service leave	148,324	134,583	148,324	134,583

15: EMPLOYEE BENEFITS (cont'd)

The present value of employee entitlements not expected to be settled within twelve months of reporting date have been calculated using the following weighted averages:	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Assumed rate of increase in wage and salary rates	4%	4%	4%	4%
Discount rate	4.50%	6.25%	4.50%	6.25%
Settlement term (years)	15	15	15	15

Share Based Payments

Issue of Incentive Options

The Board may offer free options ("Plan Options") to persons ("Eligible Persons") who are:

(i) full-time or part-time employees (including a person engaged by the Company under a consultancy agreement); or

(ii) Directors,

of the Company or any subsidiary based on a number of criteria including contribution to the Company, period of employment, potential contribution to the Company in the future and other factors the Board considers relevant.

Upon receipt of such an offer, the Eligible Person may nominate an associate to be issued with the Plan Options.

Number of Plan Options

The maximum number of Plan Options that may be issued at any one time is 10% of the total number of Shares on issue in the Company. Subject to the requirements of Corporations Act and the Listing Rules, the Board may from time to time increase this percentage.

Terms of Plan Options

Each Plan Option entitles the holder, on exercise, to one ordinary fully paid Share.

There is no issue price for the Plan Options. The exercise price for the Plan Options will be such price as determined by the Board (in its discretion) on or before the date of issue provided that in no event may the exercise price be less that the weighted average sale price of Shares sold on ASX during the five Business Days prior to the date of issue or such other period as determined by the Board (in its discretion).

Shares issued on exercise of Plan Options will rank equally with other ordinary shares of the Company.

Plan Options may not be transferred other than to an associate of the holder. Quotation of Plan Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of Plan Options.

A Plan Option may only be exercised after it has vested and any other conditions imposed by the Board on exercise have been satisfied. The Board may determine the vesting period (if any). A Plan Option will lapse upon the first to occur of the expiry date, the holder acting fraudulently or dishonestly in relation to the Company, the employee ceasing to be employed by the Company or on certain conditions associated with a party acquiring a 90% interest in the shares of the Company.

15: EMPLOYEE BENEFITS (cont'd)

If, in the opinion of the Board, any of the following has occurred or is likely to occur, the Company entering into a scheme of arrangement, the commencement of a takeover bid for the Company's Shares, or a party acquiring a sufficient interest in the Company to enable them to replace the Board, the Board may declare a Plan Option to be free of any conditions of exercise. Plan Options that are so declared may, subject to the lapsing conditions set out above, be exercised at any time on or before their expiry date and in any number.

Participation by Directors

Although Directors are eligible to be offered Plan Options, none may be granted by the Company until Shareholder approval has been obtained the requirements of the ASX Listing Rules and the Corporations Act.

During the year the Company issued share options that entitle key management personnel and senior employees to purchase shares in Giralia Resources NL.

During the year ended 30 June 2009 the consolidated entity recognised an expense of $1,686,402 related to the fair value of options granted (30 June 2008: $1,920,329). Options previously issued with a recognised expense of $1,247,089 were cancelled during the year.

The number and weighted average exercise prices of share options are as follows:

Giralia Resources NL	Weighted average exercise price $	Number of options	Weighted average exercise price $	Number of options
In options	2009	2009	2008	2008
Outstanding at the beginning of the period	0.74	4,200,000	0.18	2,000,000
Exercised/Cancelled during the period	2.04	(1,175,000)	0.85	(100,000)
Granted during the period	1.20	1,925,000	1.24	2,300,000
Outstanding at the end of the period	0.62	4,950,000	0.74	4,200,000
Exercisable at the end of the period	0.62	4,950,000	0.65	3,700,000

The options outstanding in the Company at 30 June 2009 have an exercise price in the range of $0.1555 to $1.45 and a weighted average contractual life of 2 years.

During the financial year, no share options were exercised (2008: 100,000). The weighted average share price at the dates of exercise was Nil (2008: $0.85).

The terms and conditions of the grants made during the year ended 30 June 2009 are as follows; all option exercises are settled by physical delivery of shares:

	2009	2008
	Company	Company
Shares granted	1,925,000	2,300,000
Fair value at measurement date	$0.39 - $0.87	$0.22 - $1.59
Valuation model	Black Scholes	Black Scholes
Share price	$0.87 - $2.14	$0.72 - $2.04
Exercise price	$0.75 - $2.04	$0.78 - $2.04

Notes to the Consolidated Financial Statements
for the year ended 30 June 2009 (cont'd)

15: EMPLOYEE BENEFITS (cont'd)

	2009	2008
	Company	Company
Expected life (years)	3-4 years	3–5 years
Company volatility	82% - 89%	75% - 82%
Risk free interest rate	4.56% - 6.65%	6.02% - 6.65%
Value at measurement date	$1,686,402	$1,503,669

The fair values of services received in return for share options granted to employees is measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black Scholes formula. The contractual life of the option is used as an input into this formula. Expectations of early exercise are incorporated into the Black Scholes formula.

Share options are granted under a service condition. There are no market conditions associated with the share option grants.

The expected volatility has been based on the historical volatility of the Company and similar companies involved in the mineral exploration industry over periods of up to three to four years.

	Consolidated		Company	
	2009	2008	2009	2008
16: ISSUED CAPITAL	$	$	$	$
a) Issued and paid-up share capital 178,185,170 (2008: 176,185,170) ordinary shares fully paid	29,340,345	28,283,437	29,340,345	28,283,437
Movements in Ordinary Share Capital				
Balance at beginning of the financial year 176,185,170 (2008: 158,585,170)	28,283,437	21,498,780	28,283,437	21,533,534
Shares Issued:				
Share issue costs for subsidiary	-	34,754		-
50,000 shares at $0.699 each, being exercise of options	-	34,950		34,950
In-specie distribution of 32,006515 Zinc Co Australia Ltd shares of 40 cents each	-	(12,802,606)		(12,802,606)
In-specie distribution of 27,211,780 Carpentaria Exploration Ltd shares at 12 cents each	-	(3,265,414)		(3,265,414)
17,500,000 shares at $1.30 each issued to raise capital, less related costs (net of tax)	-	22,733,863		22,733,863
50,000 shares at $0.999 cents each, being the exercise of options less related costs	-	49,110		49,110
2,000,000 shares at $0.53 each issued for the purchase of a mineral tenement	1,060,000	-	1,060,000	-
Issue costs	(3,092)		(3,092)	
	29,340,345	28,283,437	29,340,345	28,283,437

16: ISSUED CAPITAL (cont'd)

The Company does not have authorised capital or par value in respect of its issued shares.

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder's meetings.

17: FAIR VALUE RESERVE

The fair value reserve includes the net revaluation increments and decrements arising from the revaluation of the investment in listed entities, measured at fair value net of tax.

18: SUBSIDIARIES

The following companies are controlled entities of Giralia Resources NL:

Subsidiaries	Principal Activity	Country of Incorporation	Interest Ownership 2009	2008
Tallering Resources Pty Ltd	Exploration	Australia	100%	100%
Carlinga Mining Pty Limited	Exploration	Australia	100%	100%
Minera Atacamena Limitada	Exploration	Chile	100%	100%
Wheelbarrow Prospecting Pty Ltd	Exploration	Australia	100%	100%

The investments in the controlled entities are by way of investments in the ordinary shares of the entities.

19: FINANCIAL RISK MANAGEMENT

Overview

This note presents information about the Company's and consolidated entity's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Company and the consolidated entity does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the consolidated entity through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated entity's receivables from customers and investment securities. For the Company it arises from receivables due from subsidiaries.

Presently, the consolidated entity undertakes exploration and evaluation activities exclusively in Australia. At the balance sheet date there were no significant concentrations of credit risk.

19: FINANCIAL RISK MANAGEMENT (cont'd)

Cash and cash equivalents

The Consolidated entity limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Trade and other receivables, and other financial assets

As the consolidated entity operates in the mineral exploration sector, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Company and consolidated entity have established an allowance for impairment that represents their estimate of incurred losses in respect of other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. Based on available evidence, management does not expect any counterparty to fail to meet its obligations.

Exposure to credit risk

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at the reporting date was:

		Consolidated Carrying Amount		Company Carrying Amount	
	Note	2009	2008	2009	2008
		$	$	$	$
Financial assets at fair value through profit or loss		-	1,189,500	-	1,189,500
Loan to subsidiaries	9	-	-	2,477,776	2,515,282
Cash and cash equivalents		67,120,767	56,083,102	67,120,767	56,083,102
Receivables	9	2,038,612	1,195,887	2,038,612	1,195,887
		69,159,379	58,468,489	71,637,155	60,983,771

Impairment losses

None of the consolidated entity's other receivables are past due (2008: Nil).

The market value of the consolidated entities investment in listed companies has declined during the period. The Directors have determined that this decline in market value is prolonged and significant and accordingly have considered the decline as an impairment loss. The impairment loss has been recognised in the income statement.

The movement in the allowance for impairment in respect of loan to subsidiaries during the period was as follows:

	Company	
	2009	2008
	$	$
Balance at 1 July	208,584	-
Impairment loss recognised	157,981	208,584
Balance at 30 June	366,565	208,584

19: FINANCIAL RISK MANAGEMENT (cont'd)

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

The consolidated entity manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. The consolidated entity does not have any external borrowings.

The Company does not anticipate a need to raise additional capital in the next 12 months to meet forecasted operational and exploration activities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Consolidated
30 June 2009

	Carrying Amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Payables	(186,751)	(186,751)	(186,751)	-	-	-	-

Consolidated
30 June 2008

	Carrying Amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Payables	(476,753)	(476,753)	(476,753)	-	-	-	-

Company
30 June 2009

	Carrying Amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Payables	(186,751)	(186,751)	(186,751)	-	-	-	-

Company
30 June 2008

	Carrying Amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Payables	(476,753)	(476,753)	(476,753)	-	-	-	-

19: FINANCIAL RISK MANAGEMENT (cont'd)

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The consolidated entity is not exposed to currency risk and at balance sheet date the company and the consolidated entity hold no financial assets or liabilities which are exposed to foreign currency risk.

Interest rate risk

The consolidated entity is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The consolidated entity does not use derivatives to mitigate these exposures.

The consolidated entity adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short terms deposit at interest rates maturing over 30-180 day rolling periods.

Profile

At the reporting date the interest rate profile of the Company's and the consolidated entity's interest-bearing financial instruments was:

	Consolidated Carrying Amount		Company Carrying Amount	
	2009	2008	2009	2008
	$	$	$	$
Fixed rate instrument				
Cash and cash equivalents	64,412,677	55,197,140	64,412,677	55,197,140
	64,412,677	55,197,140	64,412,677	55,197,140
Variable rate instruments				
Cash and cash equivalents	2,708,091	885,962	2,708,091	885,962
	2,708,091	885,962	2,708,091	885,962

Fair value sensitivity analysis for fixed rate instruments

The consolidated entity does not account for any fixed rate financial assets and liabilities at fair value through profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. The analysis is performed on the same basis for 2008.

19: FINANCIAL RISK MANAGEMENT (cont'd)

	Consolidated Profit or loss		Company Profit or loss	
	100bp Increase $	100bp Decrease $	100bp Increase $	100bp Decrease $
30 June 2009				
Cash and cash equivalents	27,081	(27,081)	27,081	(27,081)
	27,081	(27,081)	27,081	(27,081)

	Consolidated Profit or loss		Company Profit or loss	
	100bp Increase $	100bp Decrease $	100bp Increase $	100bp Decrease $
30 June 2008				
Cash and cash equivalents	8,860	(8,860)	8,860	(8,860)
	8,860	(8,860)	8,860	(8,860)

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	30 June 2009		30 June 2008	
Consolidated	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Available-for-sale financial assets	4,102,766	4,102,766	25,047,439	25,047,439
Financial assets at fair value through profit or loss	586,905	586,905	2,770,273	2,770,273
Cash and cash equivalents	67,120,768	67,120,768	56,083,102	56,083,102
Receivables	2,038,612	2,038,612	1,195,887	1,195,887
Payables	(186,751)	(186,751)	(476,753)	(476,753)
	73,662,300	73,662,300	84,619,948	84,619,948

19: FINANCIAL RISK MANAGEMENT (cont'd)

	30 June 2009		30 June 2008	
	Carrying amount	Fair value	Carrying amount	Fair value
Company	$	$	$	$
Loans to subsidiaries	2,477,766	2,477,766	2,515,282	2,515,282
Available-for-sale financial assets	4,102,766	4,102,766	25,047,439	25,047,439
Financial assets at fair value through profit or loss	586,905	586,905	2,770,273	2,770,273
Cash and cash equivalents	67,120,768	67,120,768	56,083,102	56,083,102
Receivables	2,038,612	2,038,612	1,195,887	1,195,887
Payables	(186,751)	(186,751)	(476,753)	(476,753)
	76,140,066	76,140,066	87,135,230	87,135,230

The basis for determining fair values is disclosed in note 3(m).

Other Market Price Risk

Other Equity price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Investments are managed on an individual basis and material buy and sell decisions are approved by the Board of Directors. The primary goal of the consolidated entity's investment strategy is to maximise investment returns.

The consolidated entity's investments are solely in equity instruments. These instruments are classified as available-for-sale or at fair value through profit or loss and are carried at fair value, with fair value changes recognised directly in equity or profit and loss until derecognised.

Sensitivity analysis

The consolidated entity's equity investments are listed on the Australian Stock Exchange. A 3% increase in stock prices at 30 June 2009 would have increased equity by $121,571 (2008: $695,228) and profit or loss by $19,119 (2008: $139,303); an equal change in the opposite direction would have decreased equity profit or loss by an equal but opposite amount.

Commodity Price Risk

The consolidated entity operates primarily in the exploration and evaluation phase and accordingly the consolidated entity's financial assets and liabilities are subject to minimal commodity price risk.

Capital Management

The consolidated entity's objectives when managing capital are to safeguard the consolidated entity's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the consolidated entity may return capital to shareholders, issue new shares or sell assets for in-specie distributions.

19: FINANCIAL RISK MANAGEMENT (cont'd)

The consolidated entity's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities. The consolidated entity monitors capital on the basis of the gearing ratio, however there are no external borrowings as at balance date. Capital includes accumulated profits and fair value reserve.

The consolidated entity encourages employees to be shareholders through the issue of free share options to employees.

There were no changes in the consolidated entity's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

20: COMMITMENTS

	Consolidated		The Company	
	2009 $	2008 $	2009 $	2008 $
Operating Lease Commitments				
Future operating lease rentals not provided for in the financial statements and payable:				
Not later than one year	12,068	72,408	12,068	72,408
Later than one year but not later than five years	-	12,068	-	12,068
	12,068	84,476	12,068	84,476

Operating leases relate to premises. The leases typically run for a period of 3 years, with an option to renew the lease after that date. Lease payments are increased every 1 to 2 years to reflect market rentals. The consolidated entity does not have an option to purchase leased assets at the expiry of their lease period.

Exploration expenditure commitments

The Company and consolidated entity have certain obligations to perform minimum exploration work and expend minimum amounts on works on mining tenements in order to retain its interests in these tenements, which would be approximately $1,801,960 (Company) and $2,324,860 (consolidated entity) [(2008: $703,000 (Company) and $916,000 (consolidated entity)] during the next 12 months. These obligations may be varied from time to time, subject to approval, and are expected to be fulfilled in the normal course of operations of the consolidated entity.

21: RELATED PARTIES

The following were key management personnel of the consolidated entity during the reporting period:-

Key management personnel

Giralia Resources NL

Executive Directors:	R M Joyce (Managing Director) S A Macdonald
Non-Executive Director:	G D Riley (Chairman)
Executives:	B R Acutt (Company Secretary) J D Goldsworthy (Exploration Manager)

21: RELATED PARTIES (cont'd)

Key management personnel compensation

The key management personnel compensation included in 'employee benefits' prior to capitalisation to exploration expenditure is as follows:

	Consolidated		The Company	
	2009	2008	2009	2008
	$	$	$	$
Short-term employee benefits	862,903	965,852	862,903	805,807
Short term compensated absences	30,972	58,872	30,972	58,872
Post-employment benefits	62,322	66,380	62,322	51,976
Termination benefits	6,751	26,917	6,751	26,917
Share based payments	1,118,650	1,688,897	1,118,650	1,294,697
	2,081,598	2,806,918	2,081,598	2,238,269

Individual directors and executives compensation disclosures

Information regarding individual directors and executives compensation is provided in the Remuneration Report section of the Directors' report in Section 13.

Options and rights over equity instruments in Giralia Resources NL

The movement during the reporting period in the number of options over ordinary shares in Giralia Resources NL held directly, indirectly or beneficially by each specified director and specified executive, including their personally-related entities, is as follows:

COMPANY Directors	Held at 1 July 2008	Granted as remuneration	Exercised/Cancelled	Held at 30 June 2009	Vested and exercisable at 30 June 2009
G D Riley	-	-	-	-	-
R M Joyce	2,000,000	-	-	2,000,000	2,000,000
S A Macdonald	-	-	-	-	-
Executives					
B R Acutt	325,000	500,000	(250,000)	575,000	575,000
J Goldsworthy	1,500,000	500,000	(500,000)	1,500,000	1,500,000

No options held by specified directors or executives are vested but not exercisable.

COMPANY Directors	Held at 1 July 2007	Granted as remuneration	Exercised/Cancelled	Held at 30 June 2009	Vested and exercisable at 30 June 2008
G D Riley	-	-	-	-	-
R M Joyce	2,000,000	-	-	2,000,000	2,000,000
S A Macdonald	-	-	-	-	-
Executives					
B R Acutt	-	325,000	-	325,000	325,000
J Goldsworthy	-	1,500,000	-	1,500,000	1,500,000

No options held by specified directors are vested but not exercisable apart from 500,000 options for J Goldsworthy.

21: RELATED PARTIES (cont'd)

Movements in shares in Giralia Resources NL

The movement during the reporting period in the number of ordinary shares in Giralia Resources NL held directly, indirectly or beneficially by each specified director, including their personally-related entities, is as follows:

Directors	Held at 1 July 2008	Purchases	Received on exercise of options	Sales	Held at 30 June 2009
G D Riley	3,385,015	3,937	-	-	3,388,952
R M Joyce	2,100,000	-	-	-	2,100,000
S A Macdonald	6,369,520	-	-	-	6,369,520
Executives					
B R Acutt	734,500	-	-	-	734,500
J D Goldsworthy	-	-	-	-	-

Directors	Held at 1 July 2007	Purchases	Received on exercise of options	Sales	Held at 30 June 2008
G D Riley	3,385,015	-	-	-	3,385,015
R M Joyce	2,100,000	-	-	-	2,100,000
S A Macdonald	6,369,520	-	-	-	6,369,520
Executives					
B R Acutt	700,000	34,500	-	-	734,500
J D Goldsworthy	-	-	-	-	-

No shares were granted to key management personnel in the Company or consolidated entity during the reporting period as compensation in 2008 or 2009. No shares were held by related parties of key management personnel.

Other transactions with the Company or its controlled entities

From time to time, specified directors and specified executives of the Company or its controlled entities, or their personally-related entities, may purchase goods from the consolidated entity. These purchases are on terms and conditions no more favourable than those entered into by unrelated customers and are trivial or domestic in nature.

Non-key management personnel

The classes of non-director related parties are:

- wholly-owned and partly-controlled entities
- directors of related parties and their director related entities

		Consolidated		The Company	
		2009	2008	2009	2008
Receivables		$	$	$	$
Aggregate amounts receivable from non-director related parties:					
Amounts receivable other than trade debts					
Non-current					
Wholly–owned subsidiaries	(note 9)	-	-	2,477,766	2,515,282

Notes to the Consolidated Financial Statements for the year ended 30 June 2009 (cont'd)

21: RELATED PARTIES (cont'd)

No interest was charged on this loan during the year. The loan is unsecured and repayable at call.

Percentage of equity interest
Details of equity interests held in classes of related parties are set out as follows:

Subsidiaries – Note 18

Giralia holds shares and options in PacMag Metals Limited, U3O8 Limited, Zinc Co Australia Limited and Carpentaria Exploration Limited and have common directors on their Boards. Giralia has a signed service agreement with PacMag Metals Limited to provide office and secretarial services for $8,000 per month. The amount paid to Giralia by PacMag for the year ended 30 June 2009 was $96,000 (2008: $96,000).

The Company has an interest (49%) in the Blue Rose Joint Venture with PacMag (51%).

The Company received an underwriting fee of $63,307 from U3O8 Ltd during the year.

22. INTEREST IN JOINT VENTURES

Joint venture interests at 30 June 2009 are as follows:

Joint Ventures	Managers	Giralia's Interest	Principal Activity (Exploration)
Blue Rose	PacMag Metals Ltd	49% (2008: 49%)	Copper
Kathleen Valley/ Mt Harris	Jubilee Mines Ltd	13.3% diluting (2008: 22%)	Gold, Nickel
Lake Frome	Heathgate Resources Pty Ltd	25% Free Carried (2008: 25%)	Uranium
Cardinals	Zinc Co Australia Ltd (earning 75%)	100% (2008: 100%)	Zinc
Daltons	Giralia (Holder Haoma Mining NL)	75% (2008: 75%)	Nickel & Iron Ore
Cork Tree	PacMag Metals Ltd, earning 51%	100% (2008: 100%)	Copper
Cookes Creek	Hazelwood Resources Ltd (earning 70%)	30% (2008: 30%)	Gold
Conquistador	Zinc Co Australia Ltd (earning 75%)	100% (2008: 100%)	Zinc

The consolidated entity's interest in assets employed in the above joint ventures includes capitalised exploration and evaluation expenditure totaling $1,280,028 (2008: $2,329,043). These amounts are included under the capitalised exploration and evaluation expenditure in note 12.

Receivables from Joint Venture partners amount to $42,822 (2008: Nil) and arose in the normal course of business.

23. GAIN ON DISPOSAL OF SUBSIDIARIES

Zinc Co Australia Ltd

On 7 August 2007 the Company distributed 32,006,515 shares in its subsidiary, Zinc Co Australia Limited as a reduction in capital of the Company. The distribution was approved by shareholders on 27 July 2007 and reduced the Company's share holding from 62% to 12.24%.

The consolidated entity deconsolidated Zinc Co Australia Ltd on 27 July 2007, resulting in a gain on disposal of $13,909,656. (Company: $16,667,737)

Subsequent to 27 July 2007, the shares of Zinc Co Australia Limited declined in market value. The reduction in fair value of the shares up to the date of distribution has been recorded in the income statement totaling $640,130. (Company: $640,130)

Carpentaria Exploration Ltd

On 31 January 2008 the Company distributed 27,211,780 shares in its subsidiary, Carpentaria Exploration Limited as a reduction in capital of the Company. The distribution was approved by shareholders on 08 February 2008 and reduced the Company's share holding from 52% to 10.44%.

The consolidated entity deconsolidated Carpentaria Exploration Limited on 31 January 2008, resulting in a gain on disposal of $5,739,502. (Company: $5,440,000)

Subsequent to 31 January 2008, the shares of Carpentaria Exploration Limited declined in market value. The reduction in fair value of the shares up to the date of distribution has been recorded in the income statement totaling $1,088,471. (Company: $1,088,471)

24: SEGMENT INFORMATION

The consolidated entity is involved in exploration activity on mining tenements situated in Australia. All revenue and expenditure relates predominantly to the consolidated entity's Australian activities.

25: EVENTS SUBSEQUENT TO BALANCE DATE

Since balance date, the aggregate fair value of the consolidated entity's investments has increased by $3,184,720 or 68% due to increases in ASX share prices.

26. COMPARATIVE INFORMATION

Prior year comparatives have been reclassified to conform with the current year's presentation.

Directors' Declaration ...

1: In the opinion of the Directors of Giralia Resources NL ("the Company"):

a. the financial statements and notes (and the remuneration disclosures that are contained in Sections 13.1-13.7 of the Remuneration report in the Directors' Report), set out on pages 26 to 64, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2009 and of their performance, for the year ended on that date; and

(ii) complying with Australian Accounting Standards including the Australian Accounting Interpretations and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards, as disclosed in Note 2(a); and

c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2: The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director (who performs the Chief Executive Officer's function) and Company Secretary (who performs the Chief Financial Officer's function) for the financial year ended 30 June 2009.

Dated at Perth this 30th day of September 2009.

Signed in accordance with a resolution of the Directors.

G D RILEY
Chairman

KPMG

Independent auditor's report to the members of Giralia Resources NL

Report on the financial report

We have audited the accompanying financial report of Giralia Resources NL (the Company), which comprises the balance sheets as at 30 June 2009, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 26 and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Group's financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Giralia Resources NL is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Report on the remuneration report

We have audited the Remuneration Report included in paragraphs 13.1 to 13.7 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Giralia Resources NL for the year ended 30 June 2009, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

R Gambitta
Partner

Perth

30 September 2009

Additional Shareholder Information ...
in Compliance
with ASX Requirements

Statement at 30 September 2009

1. DISTRIBUTION OF EQUITY SECURITIES

a) Analysis of numbers of shareholders by size of holding.

	Number of shareholders	Number of shares	% of issued capital
1 – 1,000	371	230,553	.13%
1,001 – 5,000	1,247	3,973,558	2.23%
5,001 – 10,000	868	7,230,423	4.06%
10,001 – 100,000	1,156	37,750,473	21.19%
100,001 and over	165	129,000,163	72.40%
	3,807	178,185,170	100.00%

b) Number of shareholders holding less than a marketable parcel at 30 September 2009 – 112.

2. VOTING RIGHTS

At general meetings of the Company, each member entitled to vote may vote in person or by proxy or attorney. On a show of hands every person present who is a member or a representative of a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each share held.

3. SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders as defined by Section 671B of Australian Corporations Law are:

	Nº of shares held	% Interest
AMCIC Giraf Holdings B V	17,500,000	9.82%
Citicorp Nominees Pty Ltd	10,233,544	5.74%
Breamlea Pty Ltd	9,952,570	5.59%

4. UNQUOTED EQUITY SECURITIES

The following unquoted options are on issue:

1,000,000 options exercisable at 15.55 cents each by 29 November 2010
Persons holding 20% or more: R M Joyce 100%

1,000,000 options exercisable at 20.55 cents each by 30 November 2010
Persons holding 20% or more: R M Joyce 100%

550,000 options exercisable at 67.8 cents each by 30 June 2011

Persons holding 20% or more:	J D Goldsworthy	33%
	B R Acutt	29%

650,000 options exercisable at 99.9 cents each by 30 June 2011

Perhaps holding 20% or more	J D Goldsworthy	46%
	B R Acutt	23%

1,250,000 options exercisable at $0.75 each by 30 June 2012

Persons holding 20% or more	J D Goldsworthy	43%
	B R Acutt	21%

GIRALIA RESOURCES NL

Additional Shareholder Information ...
in Compliance
with ASX Requirements

5. PARTICULARS OF TWENTY LARGEST SHAREHOLDERS

	Shareholder	No of Shares	% Held
1	AMCIC Giraf B V	17,500,000	9.82
2	Citicorp Nominees Pty Ltd	10,233,544	5.74
3	Breamlea Pty Ltd	9,952,570	5.59
4	HSBC Custody Nominees	7,988,391	4.48
5	Macdonald Stanley Allan	6,159,520	3.46
6	National Nominees Limited	5,473,597	3.07
7	Yandal Investments Pty Ltd	5,208,468	2.92
8	HSBC Custody Nominees Australia Limited	4,771,818	2.68
9	Riley Graham D & A M	3,388,952	1.90
10	Grey Willow Pty Ltd	3,000,783	1.68
11	Tilbrook John Bevan	2,877,656	1.61
12	J P Morgan Nominees Australia Ltd	2,229,436	1.25
13	Crescent Nominees Ltd	2,101,790	1.18
14	Granich Nada	2,100,000	1.18
15	Royal Resources Limited	2,000,000	1.12
16	Berne No 132 Nominees Pty Ltd	2,000,000	1.12
17	ANZ Nominees Ltd	1,617,451	0.91
18	Flexiplan Management Pty Ltd	1,420,800	0.80
19	Hernstadt William Henry	1,400,534	0.79
20	Maxigold Holdings Pty Ltd	1,400,000	0.79
		92,825,310	52.09

GIRALIA RESOURCES NL

Interests in
Mining Tenements ...
at 13 October 2009

PROJECT PARTICULARS	TENEMENT NUMBERS	GIRALIA'S INTEREST	
WESTERN AUSTRALIA			
Albury Heath	ML 51/614	Nil	Subject to royalty agreement
(Dicky Lee)	ML 51/578	Nil	Subject to royalty agreement
Angelo	EL 52/1513	100%	
	EL 52/1876	100%	
	EL 52/1877	100%	
	EL 52/1878	100%	
	ELA 52/2097	100%	
Anthiby Well/ Mt Wall	EL 08/1712-I	100%	Subject to royalty
	P 08/534-535-I	100%	Subject to royalty
Avoca Downs	EL25/338	100%	
	EL28/1667	100%	
	EL28/1668	100%	
	EL28/1669	100%	
	EL28/1670	100%	
	EL28/1843	100%	
Bassit Bore	EL 09/1088	100%	
Beasley Creek	EL 47/1061	100%	
Beasley West	EL 47/1115	100%	
Beebyn	EL 20/466	100%	
	EL 20/649	100%	
	EL 51/916-I	100%	
	EL 51/933-I	100%	
	EL 51/1049	100%	
Bustler Well	ELA 52/2348	100%	
Cardinals	EL 45/2984	100% of nickel rights, reducing, JV partner funding for Zinc	
	PL 45/2702	100% of nickel rights, reducing, JV partner funding for Zinc	
	PLA 45/2561	100% of nickel rights, reducing, JV partner funding for Zinc	
Cookes Creek West	EL 46/562	30%	JV partner funding
	EL 46/761	30%	JV partner funding
	EL 45/3177	30%	JV partner funding
Corner Well	ELA 51/1063	100%	

GIRALIA RESOURCES NL

Interests in
Mining Tenements ...
at 13 October 2009

PROJECT PARTICULARS	TENEMENT NUMBERS	GIRALIA'S INTEREST	
Western Australia (cont'd)			
Daltons	EL 45/2186-I	75%	
	EL 45/2187-I	75%	
	EL 45/2921	75%	
	EL 45/2922-I	75%	
Diorite Hill	EL 38/1430	100%	
	EL 38/1925	100%	
Earaheedy	EL 69/1768-I	100%	
	EL 69/1897-I	100%	
	EL 69/2072-I	100%	
	EL 69/2289-I	100%	
	ELA 69/2542	100%	
Echo Gorge	EL 47/1241-I	100%	
Feed Bore	EL 08/1275	100%	
Howlett Bore	EL 08/1464-I	100%	
Kathleen Valley	ML 36/264-266	13%	Reducing, JV partner funding
	ML 36/365	13%	Reducing, JV partner funding
	ML 36/376	13%	Reducing, JV partner funding
	ML 36/441	13%	Reducing, JV partner funding
	ML 36/459-460	13%	Reducing, JV partner funding
Kelly Belt	ELA 46/565	100%	
	ELA 46/579	100%	
	ELA 46/802	100%	
	EL 46/732	100%	
McPhee Creek	EL 46/733-I	100%	
Mt Harris	ML 36/162	30%	Reducing, JV partner funding
	ML 37/176	30%	Reducing, JV partner funding
	ML 36/328	30%	Reducing, JV partner funding
Mt Maguire	EL 52/1707-I	100%	
Mt James	EL 52/2343	100%	
Munro Bore	ML 51/338	Nil	Subject to option to Royalty Agreement
Northam	EL 70/2782-I	100%	
	EL 70/2783-I	100%	
Pulcunah Hill	ELA 45/2612	100%	

GIRALIA RESOURCES NL

Interests in
Mining Tenements ...
at 13 October 2009

PROJECT PARTICULARS	TENEMENT NUMBERS	GIRALIA'S INTEREST	
Western Australia (cont'd)			
Snake Well	EL 59/467	100% of gold rights, reducing, JV partner funding for Zinc	
	EL 59/1123	100% of gold rights, reducing, JV partner funding for Zinc	
	EL 59/1133-I	100% of gold rights, reducing, JV partner funding for Zinc	
	EL 59/1207	100% of gold rights, reducing, JV partner funding for Zinc	
	EL 59/1208	100% of gold rights, reducing, JV partner funding for Zinc	
	ELA 59/1344	100% of gold rights, reducing, JV partner funding for Zinc	
	EL 59/1441	100% of gold rights, reducing, JV partner funding for Zinc	
	ELA 59/1600	100% of gold rights, reducing, JV partner funding for Zinc	
	ML 59/41	100% of gold rights, reducing, JV partner funding for Zinc	
	MLA 59/474, 476-477	100% of gold rights, reducing, JV partner funding for Zinc	
	MLA 59/564-565	100% of gold rights, reducing, JV partner funding for Zinc	
	MLA 59/613-614	100% of gold rights, reducing, JV partner funding for Zinc	
	PL 59/1229-1234	100% of gold rights, reducing, JV partner funding for Zinc	
	PL 59/1240-1251	100% of gold rights, reducing, JV partner funding for Zinc	
	PLA 59/1697	100% of gold rights, reducing, JV partner funding for Zinc	
	PLA 59/1708	100% of gold rights, reducing, JV partner funding for Zinc	
Sylvania	EL 52/1414	100%	Beneficial
Western Creek	EL 52/1483	100%	
	EL59/1911-I	100%	
	EL 59/1912-I	100%	
	EL 59/1604-I	100%	
Yangibana	EL 09/1484	100%	
Yerecoin	EL 70/2733-I	100%	
	EL 70/2784-I	100%	
Yuinmery	EL 57/514	49%	Reducing, JV partner funding
	EL 57/524	49%	Reducing, JV partner funding
	EL 57/681	49%	Reducing, JV partner funding
	PLA 57/1130-31	49%	Reducing, JV partner funding
SOUTH AUSTRALIA			
Lake Frome	EL 3934	25%	Free carried to decision to mine
	EL 3935	25%	Free carried to decision to mine
Blue Rose	EL 2938-2939	49% of gold, base metals, 100% of uranium rights	

GIRALIA RESOURCES NL

Interests in
Mining Tenements ...
at 13 October 2009

PROJECT PARTICULARS	TENEMENT NUMBERS	GIRALIA'S INTEREST	
QUEENSLAND			
Cargoon West	EPM 14170	100%	
NORTHERN TERRITORY			
Sleeper	EL 24065	100%	Application

Additionally, the Company has lodged applications for the following exploration licences, in some cases not as sole applicant; ELA 08/1503, 1953, 1964, 2070, ELA 45/3377, 3498, 3499, 3500, 3501, 3502, ELA 47/1501, 1502, 1957, 2079, 2087, 2096, 2097, 2113, 2114, 2136, ELA 52/2271, 2272, 2286, 2294, 2295, 2296, 2371, 2389, 2390, 2391, 2419, 2420, 2421, 2422.

ABBREVIATIONS

PL -	Prospecting Licence	PLA -	Prospecting Licence Application
EL -	Exploration Licence	ELA -	Exploration Licence Application
ML -	Mining Lease	MLA -	Mining Lease Application
		EPM -	Exploration Permit