

ASX ANNOUNCEMENT

IRON ORE EXPLORATION AND DEVELOPMENT UPDATE

- **Successful 77 hole drilling program completed at Beebyn iron ore project in WA's Midwest.**
 - best intersections to date at Beebynganna Hills; 28 metres @ 59.1% Fe, and 28 metres @ 58.3%Fe, including 16 metres @ 61.1%Fe
 - resource extensions confirmed at Weld Range; 18 metres @ 61.3%Fe
- **Drilling in progress at McPhee Creek testing 8 kilometre long iron formation range.**
- **Track construction nearly complete at Earahedy for 128 hole program in late September.**
- **Scoping level mining studies in progress at Yerecoin and Mt Webber to assess development options.**

The Directors of Giralia Resources NL ("Giralia") report further progress in ongoing assessment of the Company's iron ore projects. Giralia has 7 iron ore projects in Western Australia currently being evaluated, with initial JORC resources now released for 5 deposits. Scoping level mining studies are being conducted by respected consultants ProMet Engineers on 2 projects (Mt Webber and Yerecoin) where infrastructure solutions are readily apparent. The Company's global iron ore resource inventory is now over 132 million tonnes (Table 1 below), with additional substantial exploration targets established at several projects.

Table 1: Giralia JORC Iron Ore Mineral Resources

Deposit	Tonnes (Mt)	Grade at Fe > 50%						Resource Category	Deposit Type	Exploration Target#
		Fe %	P %	SiO ₂ %	Al ₂ O ₃ %	LOI %	^CaFe %			
Western Creek (100%)	52.4	56.7	0.06	6.2	3.6	8.9	62.2	Inferred	DSO	50 to 100 Mt
Anthiby Well (100%)	37.6	53.6	0.04	7.5	4.8	9.3	59.1	Inferred	CID	Not established
Mt Webber (75%)	30*	57.3	0.09	7.46	1.4	8	62.3	Inferred	DSO	Not established
Beebyn (100%)	7.2	57.2	0.07	8.4	3.0	5.2	60.4	Inferred	DSO	40 to 70 Mt
McPhee Ck (100%)	5.2	53.6	0.03	7.2	6.1	11.3	60.4	Inferred	CID	Not established
Yerecoin (100%)									Magnetite	200 to 250Mt
Earahedy (100%)									DSO	750 to 1,000Mt
GRAND TOTAL	132.4	55.9	0.06	7.01	3.5	8.7	61.2	Inferred		

[^]Calcined Iron grade (CaFe) is iron content upon removal of volatiles (i.e. LOI). * Mt Webber tonnage is GIR attributable 75%
The term "Exploration Target" should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore 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 Ore Reserve.

New Results-Beebyn Project (Giralia 100%)

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

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

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

Hole No	Coordinates		Dip/Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe (%)	P (%)	SiO2 (%)	Al2O3 (%)	LOI %
	East MGA94_50	North										
RCBH049	581458	7008254	-60/108	114	56	62	6	56.2	0.08	9.5	4.9	3.0
RCBH071	581042	7006436	-50/285	102	60	66	6	57.2	0.08	10.9	3.8	3.8
RCBH081	581041	7006631	-50/260	66	0	14	14	55.3	0.06	13.3	3.6	3.5
				and	26	32	6	53.1	0.09	15.9	4.0	3.8
RCBH088	580276	7004879	-60/285	132	58	72	14	54.4	0.09	9.4	7.0	5.2
RCBH099	580412	7005465	-60/275	102	94	100	6	58.6	0.03	10.6	3.0	2.4
RCBH102	580450	7005556	-60/280	126	80	108	28	59.1	0.02	7.5	5.0	3.0
RCBH103	580411	7005557	-90/-	96	12	18	6	50.5	0.05	24.5	1.4	2.0
				and	28	52	24	58.3	0.03	10.9	3.5	2.4
				incl.	36	52	16	61.1	0.03	6.6	3.9	2.3
				and	58	66	8	54.6	0.03	16.9	3.0	2.1
				and	70	72	2	57.5	0.02	8.9	5.3	3.1
RCB080	584909	7028151	-55/326	101	20	32	12	51.6	0.06	12.0	7.3	6.8
RCB081	584884	7028200	-50/338	83	8	22	14	56.3	0.04	8.7	4.0	6.4
				incl.	14	20	6	59.1	0.09	5.0	3.8	5.9
				and	58	76	18	55.5	0.12	8.2	4.5	7.5
RCB083	584972	7028248	-50/334	78	6	20	14	51.5	0.06	19.5	2.4	4.7
RCB087	585816	7028746	-50/330	71	42	46	4	58.1	0.11	7.8	2.4	5.6
RCB089	585918	7028780	-50/330	83	60	78	18	61.3	0.09	5.0	1.8	4.6
RCB093	586845	7029186	-50/150	84	50	54	4	61.1	0.09	6.1	1.5	4.6

Intersections quoted using lower cut-offs of 50% and 55% Fe. All coordinates in MGA Zone 50 GDA 94, by DGPS ($\pm 0.1m$). XRF analyses by Spectrolab Laboratory Geraldton. RC drill samples collected as 2 metre riffle split composites. QA/QC included field duplicate samples and standards.

Progress - Other Iron Ore Projects

Drilling is in progress at the Company's wholly owned **McPhee Creek** project, 220 kilometres south east of Port Hedland, and 50 kilometres north of BC Iron Limited's Bonnie Creek channel iron deposit ("CID"). Helicopter supported rock chip sampling and mapping have defined a major zone of unexplored iron ore potential evident as an 8 kilometre long range just to the west of the Crescent Moon CID mesa (initial JORC resource of **5.17 million tonnes @ 53.6 % Fe (60.4% CaFe)**). Results from sampling of the main range were very encouraging, with 36 of 69 rock samples returning >57% Fe (max. 63.8%Fe) from partially CID capped bedded Archaean aged BIF with strong hematite iron ore mineralisation evident over substantial strike lengths. A 139 hole drilling program to test these targets has been permitted.

Drilling is set to commence in late September with access road and drill pad construction nearly complete at the wholly owned **Earaheedy** project 100 km north of Wiluna, and 200 km south of Newman in Western Australia. The Company's 100% owned tenements cover 130 strike kilometres of shallowly dipping iron formations, providing the opportunity for large tonnages. The Earahedy Basin is thought to be the second largest accumulation of iron formations (the host to bedded iron ore deposits) in Australia.

Initial RC drilling in late 2008 at Earahedy tested 8 of the 23 hills of known +57% Fe outcrop, and produced significant intersections of hematite at shallow depths on 4 hills with better intersections including **20 metres @ 55.7% Fe, 8 metres @ 58.7% Fe, 12 metres @ 57.3% Fe** from surface and **38 metres to end of hole @ 53.6% Fe, including 8 metres @ 56.8% Fe**. A 128 hole drilling program is fully permitted.

Helicopter and ground supported surface mapping and rock sampling have been completed over identified additional targets for DSO hematite mineralisation at the 100% owned **Western Creek**, and 75% owned **Daltons** projects. Assay results will be reported when available.



Fig 1: Massive hematite outcrop at Beebynganna Hills

The information in this report that relates to Exploration Results is based on information compiled by R M Joyce, who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of the Company. Mr Joyce has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Joyce consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

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

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

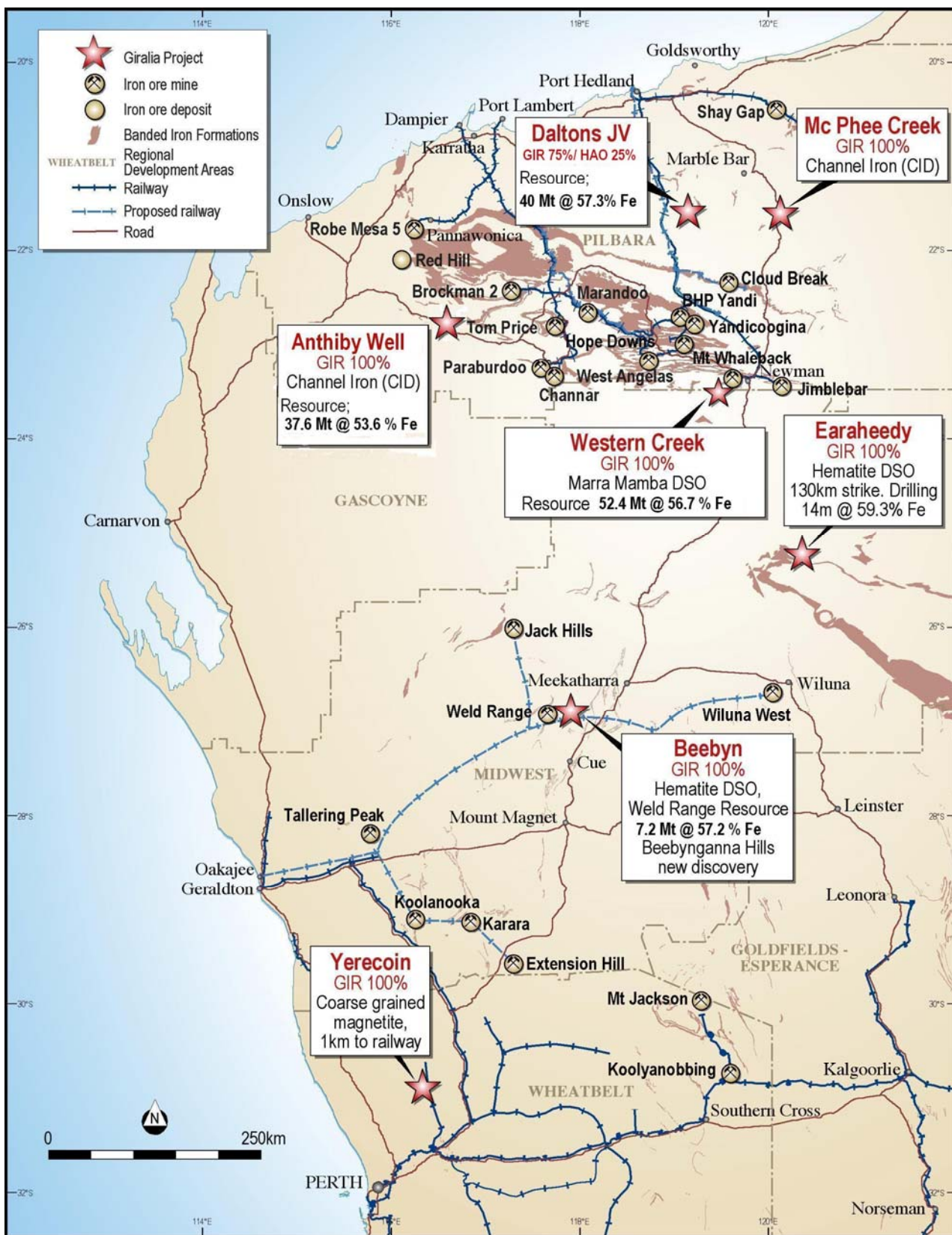


Fig 2: Location Plan showing Giralia's Western Australia iron ore projects

About Giralia Resources NL

Giralia Resources NL ("ASX: GIR") is a well funded (~\$70 million cash) mineral exploration company based in Perth, Western Australia. Giralia's iron ore projects in Western Australia are the Company's major exploration and development focus:

Beebyn (100%) – Hematite (MidWest) – Adjoins Sinosteel Weld Range deposits. Initial Inferred Mineral Resource **7.2 million tonnes @ 57.2% Fe**. Major upside at nearby Beebynganna Hills.

Western Creek (100%) – Hematite (15 km W of Newman) – Near surface Marra Mamba iron ore as direct extensions to BHP Silver Knight deposit. Inferred Mineral Resource **52.4 million tonnes @ 56.7% Fe**.

Earaheedy (100%) – Hematite (200 km S of Newman) – 23 known hills with surface grades over 57% Fe, within 130 kilometres of iron formations. Shallow dips indicate large tonnage potential. Drilling; **20m @ 55.7% Fe, 8m @ 58.7% Fe, and 12m @ 57.3% Fe** from 8 hills tested to date.

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

McPhee Creek (100%) – CID (Pilbara) – Channel iron deposit (CID) mesa, drill intersections include 12 metres @ 56.1 % Fe, 10 metres @ 57.2% Fe. Initial Inferred Mineral Resource **5.17 million tonnes @ 53.6% Fe (60.4%CaFe)**.

Daltons (75%) - Hematite (Pilbara) – newly discovered zone of massive hematite outcrop, only 150 km south of Port Hedland, and 40km from FMG, BHP rail lines. Drilling **70m @ 58.4% Fe from surface, including 54m @ 60.9% Fe, 1.5%Al₂O₃**. Initial Inferred Mineral Resource **40.0 million tonnes @ 57.3% Fe (62.3%CaFe)**.

Yerecoin – Magnetite (150 km from Perth) – 1 km to railway. Initial drilling March 2009; **72 metres @ 32.4%Fe, 52.4 metres @ 31.6 %Fe**. Coarse magnetite; excellent DTR testwork. Scoping Study in progress.

The Company also has significant other commodity interests, including the Lake Frome Joint Venture around the operating Beverley uranium mine in South Australia, and the 100% owned 170,000 ounce Snake Well gold project in Western Australia.

In addition to its strong cash balance, Giralia also holds significant stakes in several ASX listed companies (shown below), which are held largely as a result of the spin-off of independently managed and funded companies. Giralia shareholders have benefited through priority IPO entitlements and in specie distributions, and ongoing exposure to upside from exploration success.

Company	ASX Code	Key Commodity	Giralia Stake
PacMag Metals Limited	PMH	copper	~10.4%
U3O8 Limited	UTO	uranium	~15%
Zinc Co Australia Limited	ZNC	zinc	~12%
Carpentaria Exploration Limited	CAP	NSW, Qld copper-gold	~10.4%
Hazelwood Resources Ltd	HAZ	nickel, tungsten	~3.3%