

QUARTERLY REPORT FOR THE THREE MONTHS ENDING 30 JUNE 2009

Giralia Resources NL
ABN 64 009 218 204

ASX code: **GIR**

Activities:

Iron Ore exploration and development

Details:

Issued shares: 178.1m
Unlisted options: 4.9m
Market Cap (60c): A\$106m
Cash July 09: A\$67.8m
Interest on maturity: A\$2.6m
Investments: A\$5m
Debt: Nil

Listed Investments:

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

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

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

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

Hazelwood Resources Ltd -nickel
(ASX:HAZ) Giralia ~ 5% stake

Directors:

Chairman - Graham Riley
Exec Director - Stan Macdonald
Managing Director -Mike Joyce
Senior Management:
Company Sec. - Bruce Acutt
Expl. Mgr - Julian Goldsworthy

Major shareholders :

AMCI	9.82%
Breamlea P/L	5.59%
BlueGold Capital	3.77%
Macdonald SA	3.57%
Tilbrook J	3.37%
Union Invest	3.13%
Yandal Inv.	2.92%
Riley G&A	1.90%

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EXPLORATION: Exploration and development activities continued to focus on advancing the Company's iron ore projects during the quarter;

- **Daltons Iron Ore Project (75%):** Initial 42 hole drilling program in progress at Mt Webber, only 150 km from Port Hedland. Early results include **16 metres @ 58.5% Fe, 34 metres @ 55.2% Fe and 16 metres @ 56.1% Fe** from a small hill north of the main target area. Drilling commenced at main southern hill (600m by 450m hematite zone) in late July 2009. Atlas Iron Ltd released results from within 200 metres of tenement boundary including **66 metres @ 58.5% Fe, 1.9% Al₂O₃, 0.09% P, and 44 metres @ 60.1% Fe, 1.3% Al₂O₃, 0.09% P** from the western range.
- **Yerecoin Iron Ore Project (100%):** A Scoping Study was commissioned to review development options for Giralia's Yerecoin magnetite project, located less than 150 km north of Perth, and within 1 km of existing rail access. An initial Exploration Target of **200 million to 250 million tonnes** of magnetite mineralisation was defined with exceptional results from Davis Tube testwork (concentrate grades >71%Fe, < 1%SiO₂ and coarse grind size for magnetite liberation).

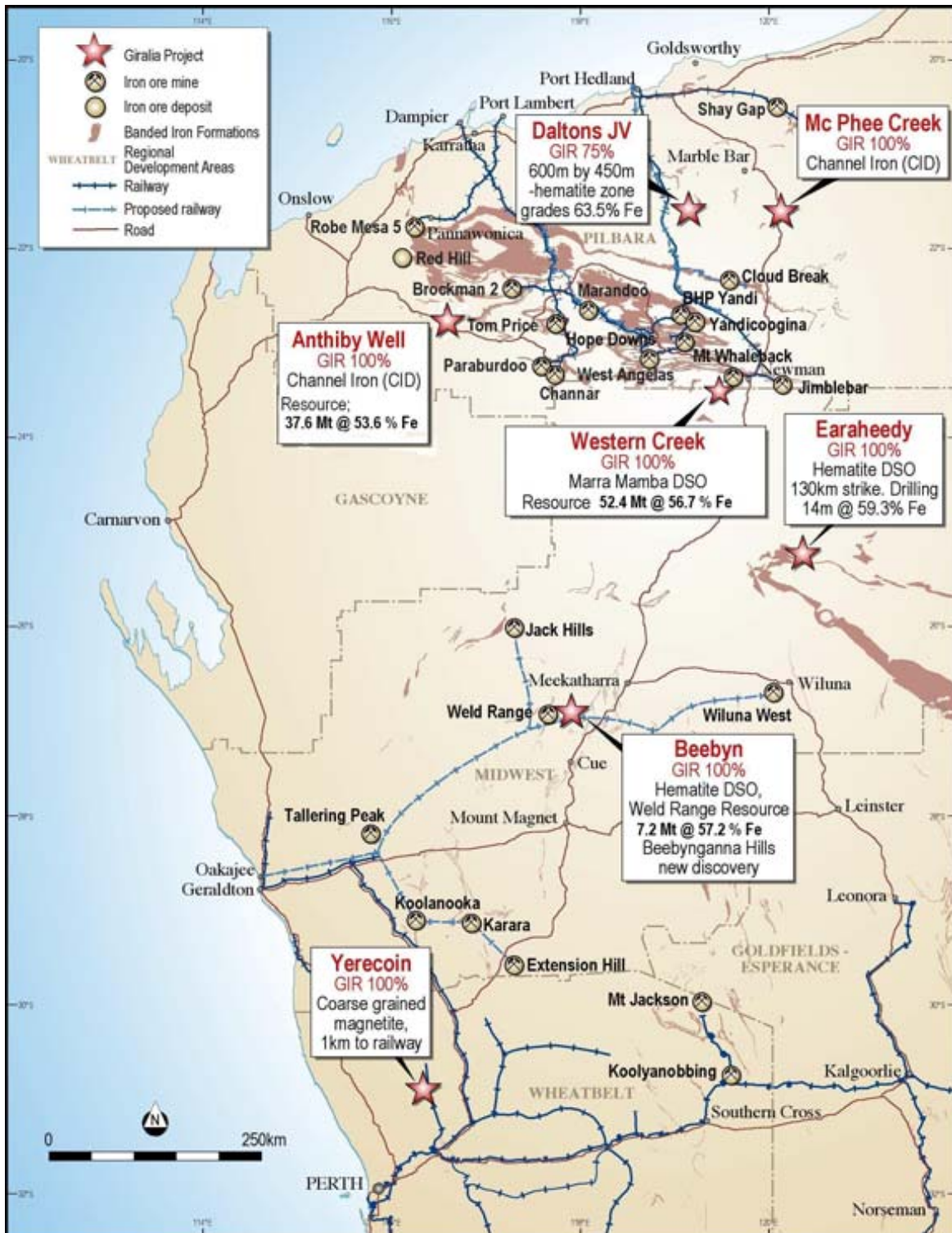
UPCOMING DRILLING ACTIVITY; Despite significant delays due to permitting hold ups, particularly for environmental approvals in the Mid West region where approvals for drilling proposals routinely take in excess of 6 months, the Company now has several hundred holes ready to drill in the coming months;

- **Beebyn Iron Ore Project (100%):** Fully permitted 83 hole drilling program to extend the current JORC hematite resource at the Beebyn-Weld Range deposit adjoining Sinosteel in WA's Mid West, along with further drill testing of hematite zones at the nearby Beebynganna Hills discovery. Drilling is scheduled for early August 2009.
- **McPhee Creek Iron ore Project (100%):** Fully permitted for 139 hole drilling program to test potential of 8km long range for remnant CID and bedded hematite near Nullagine in Pilbara following up further high grade rock chip results during the quarter.
- **Earaheedy Iron Ore Project (100%):** Awaiting final permitting for a further 128 hole drilling program for likely August 2009 start at the Earraheedy project, to follow up significant results from late 2008 drilling including; **20 metres @ 55.7% Fe, 12 metres @ 57.3% Fe** (from surface) etc. The program will include drilling of many of the remaining 15 untested hills of hematite outcrop.
- **Western Creek Iron Ore Project (100%):** A detailed aeromagnetic survey was completed over Giralia's Western Creek project, located less than 15 kms from railway facilities at Newman, to aid planning for further drilling at the current Western Creek resource of **52.4 million tonnes @ 56.7% Fe**, and the new Homestead deposit and CID prospects.

CORPORATE

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%.

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 of Giralia's Western Australian iron ore projects

EXPLORATION

IRON ORE PROJECTS

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

During the quarter the Company reported early results from the first drill program at the Mt Webber iron ore project, at the Company's Daltons Joint Venture (Giralia 75% interest with Haoma Mining NL 25% interest), located 150 kilometres south of Port Hedland in the Pilbara region of Western Australia, and only 20 to 30 kilometres east of the BHP Billiton and FMG rail lines. Haoma retains rights to gold/silver and tin/tantalum mineralisation.

Atlas Iron Limited recently reported significant iron ore drilling results from initial drilling of its portion of the Mt Webber project, including **66 metres @ 58.5% Fe, 1.9% Al₂O₃, 0.09% P, and 44 metres @ 60.1% Fe, 1.3% Al₂O₃, 0.09% P** from the western range, within 200 metres of the Daltons JV boundary. A substantial 650 metres by 400 metres zone of strong hematite enrichment has been defined on the southern hill at Mt Webber on the Daltons JV tenements.

This first drill program initially tested a more easily accessible smaller 200 metre by 200 metre hematite zone on the northern end of the eastern range at Mt Webber, due to delays in the building of an access track to the larger southern hill at the Mt Webber project.

A total of 16 RC holes (RCDW001 to RCDW016) were completed. Holes were generally located 100metres apart. Holes RCDW001 to RCDW007 were drilled along the access track through a thin remnant channel iron deposit (CID). Holes RCDW008 to RCDW016 tested the northern hill hematite target.

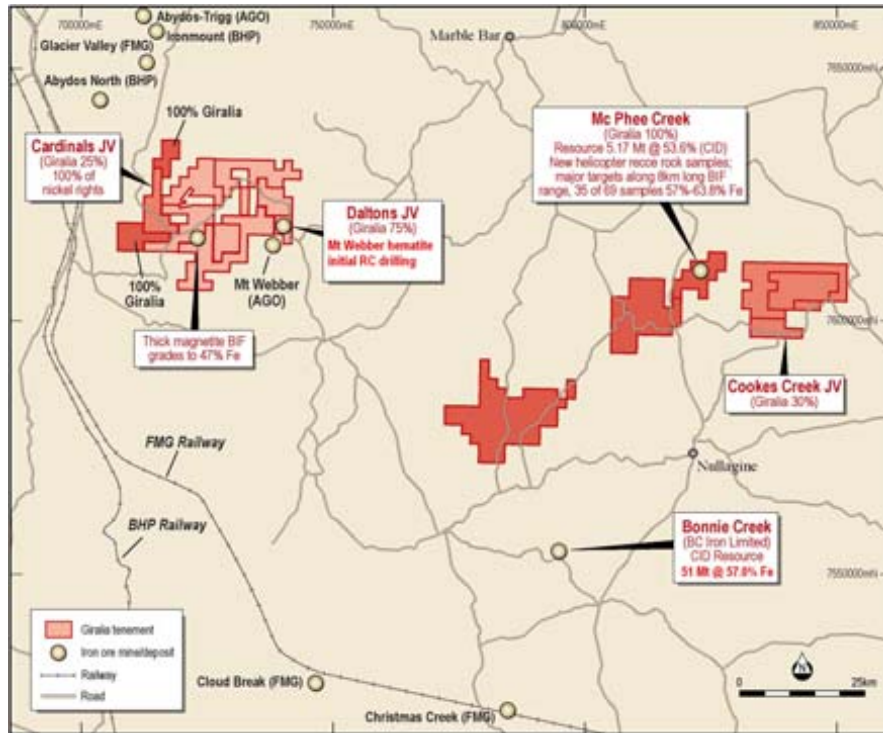
Drilling intersected a hematite-enriched zone from surface to a depth of up to 80 metres below surface. Better intersections include: **16m @ 58.5% Fe (RCDW016); 34m @ 55.2% Fe (RCDW014); 16m @ 56.1% Fe (RCDW013); 10m @ 56.2% Fe (RCDW012)**. All these intersections start from surface. (See Table 1)

Table 1: Intersections Mt Webber northern hill, RC drilling June 2009:

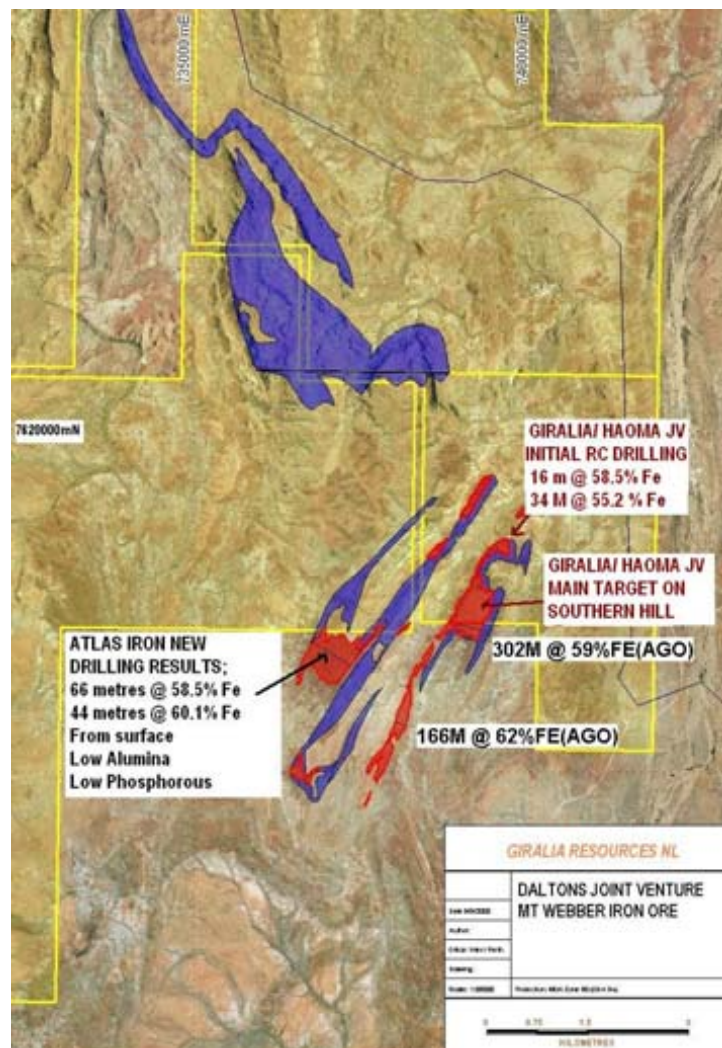
Hole No	Coordinates		Dip/ Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe (%)	P (%)	SiO2 (%)	Al2O3 (%)	LOI
	East MGA94	North 50										
RCDW001	740006	7619001	90/-	22	6	8	2	50.49	0.020	14.64	3.41	9.82
RCDW002	739905	7618891	90/-	34	8	10	2	53.56	0.027	10.56	2.50	9.27
RCDW003	739829	7618813	90/-	40	0	2	2	50.42	0.028	9.40	6.62	9.94
RCDW006	739614	7618580	90/-	22	0	14	14	50.19	0.031	8.81	7.25	10.32
RCDW007	739585	7618484	90/-	16	0	2	2	53.79	0.035	4.65	6.15	10.16
RCDW008	739654	7618400	90/-	40	0	4	4	53.02	0.086	9.57	3.29	9.75
RCDW009	739571	7618402	60/90	100	0	4	4	57.19	0.075	9.35	1.79	6.33
				and	10	12	2	51.89	0.085	19.79	0.72	5.49
				and	58	72	14	52.40	0.016	19.03	0.77	4.07
				and	76	82	6	51.18	0.033	18.57	0.90	5.83
				and	86	88	2	53.84	0.072	13.38	0.94	6.27
RCDW010	739416	7618291	60/90	88	0	4	4	55.81	0.074	8.26	2.50	7.38
RCDW012	739599	7618302	60/90	65	2	12	10	56.20	0.094	8.12	1.66	7.76
RCDW013	739636	7618293	60/90	37	0	16	16	56.12	0.07	7.20	2.20	8.97
RCDW014	739779	7618249	60/90	87	0	34	34	55.15	0.062	9.38	3.58	7.96
RCDW016	739575	7618300	90/-	112	0	16	16	58.52	0.079	5.04	1.78	7.29

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 ($\pm 5m$). XRF analyses by Spectolab Laboratory Geraldton. QA/QC included typically field duplicate samples and two standards (Certified Reference Material), comprising one coarse standard and one pulverised standard for each drill hole.

The next stage at Mt Webber will be to drill the main southern hill that yielded numerous high-grade rock chip assays. An access track crossing Atlas Iron Ltd ground has now been completed and drilling recommenced in late July 2009.



Location plan Daltons JV tenements



Daltons JV Mt Webber iron ore prospect. JV tenements in Yellow

Yerecoin Iron Ore Project – (Giralia 100%)

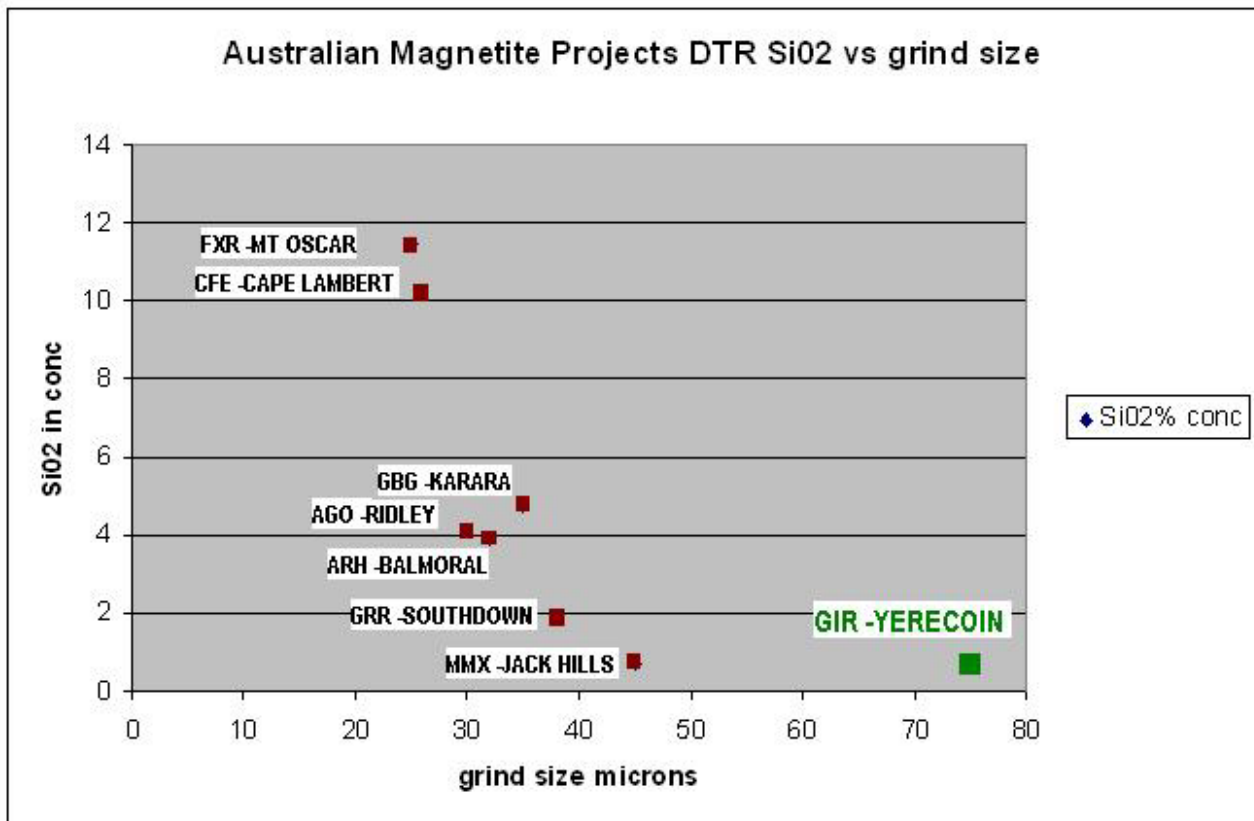
The Company reported an initial Exploration Target* at its 100% owned Yerecoin project of 200 to 250 million tonnes of magnetite mineralisation grading 30% to 35% Fe, based on observed dips and thicknesses of mineralisation from RC and diamond drilling data, and integration of surface mapping and rock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

Giralia's wholly owned Yerecoin project is located 10 kilometres east of New Norcia and 150 kilometres north of Perth, within 1 kilometre of existing rail access. An initial drilling program completed in March 2009 intersected moderately dipping magnetite mineralisation, with better intersections of **72 metres @ 32.4% Fe incl. 56 metres @ 35.7% Fe, and 50 metres @ 30.3% Fe.**

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

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

In May 2009 the Company significantly expanded the Yerecoin project with the acquisition of key adjoining ground from Polaris Metals NL (“Polaris”).

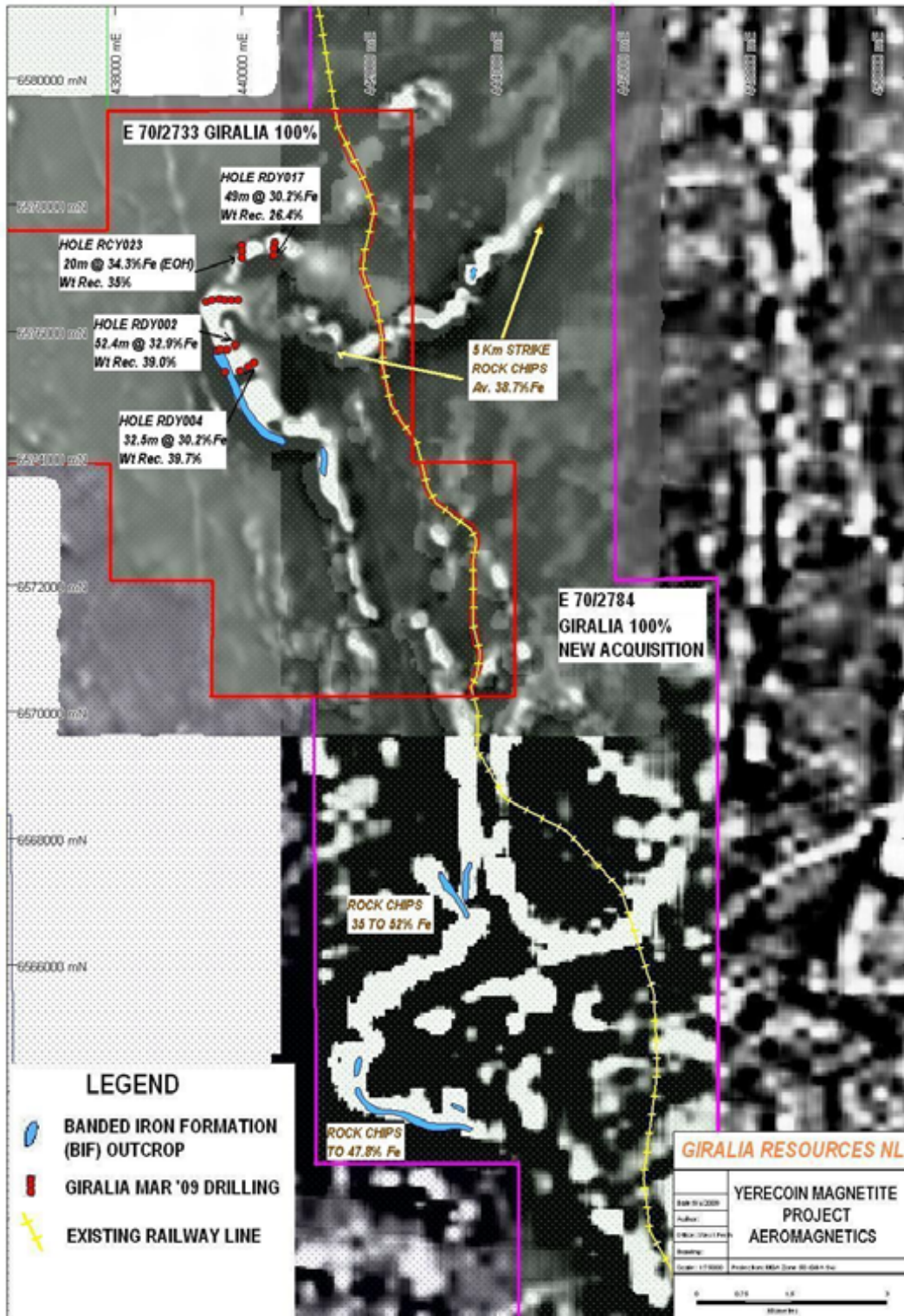


Graph showing silica (SiO₂) levels in DTR concentrate versus grind size for Australian magnetite deposits (source; ASX releases, company websites).

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.



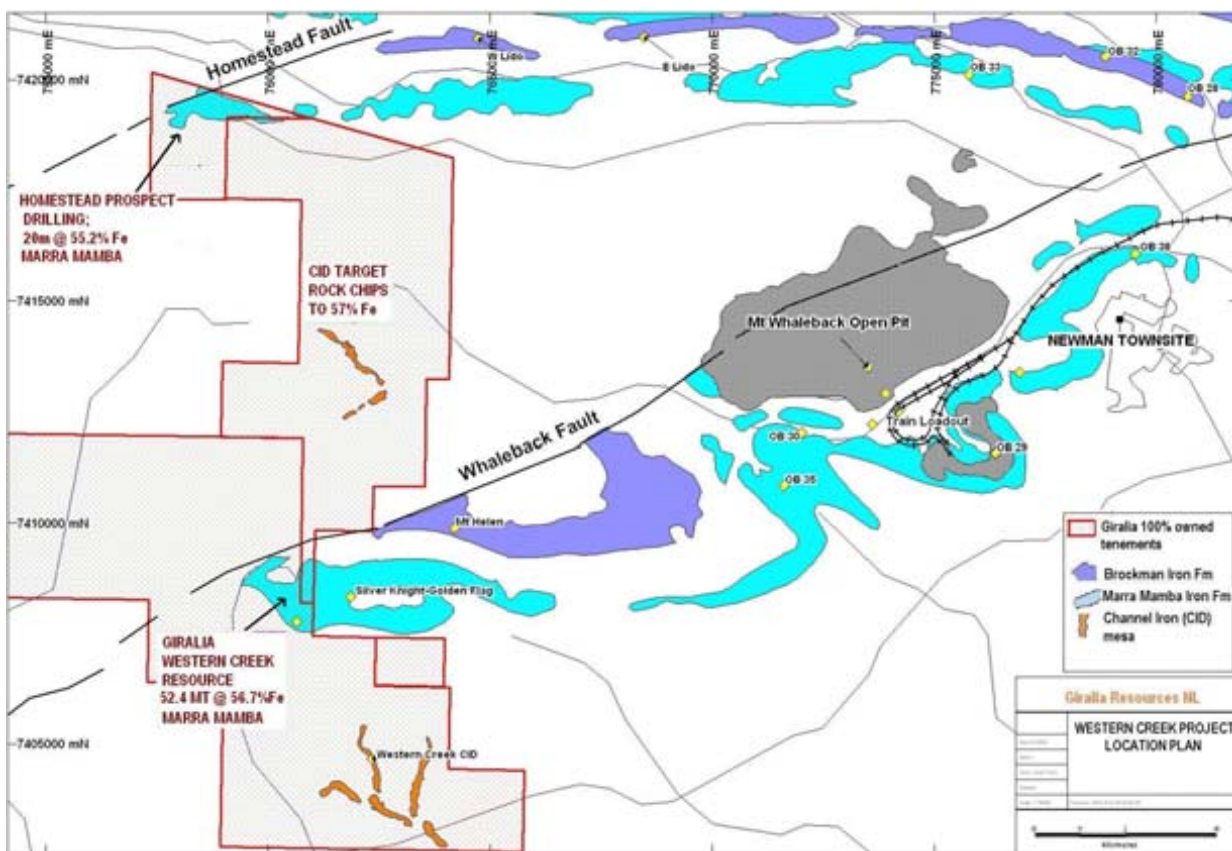
Yerecoin 2009 drill hole locations on aeromagnetic image

Western Creek Iron Ore Project – (Giralia 100%)

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

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

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



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

At the "Homestead" prospect around 10 kilometres north of the Western Creek Mineral Resource, better intersections from Giralia's 22 hole December 2008 drilling program include **20 metres @ 55.2% Fe, 14 metres @ 55.5% Fe and 8 metres (EOH) @ 56.1% Fe** in the Marra Mamba Formation

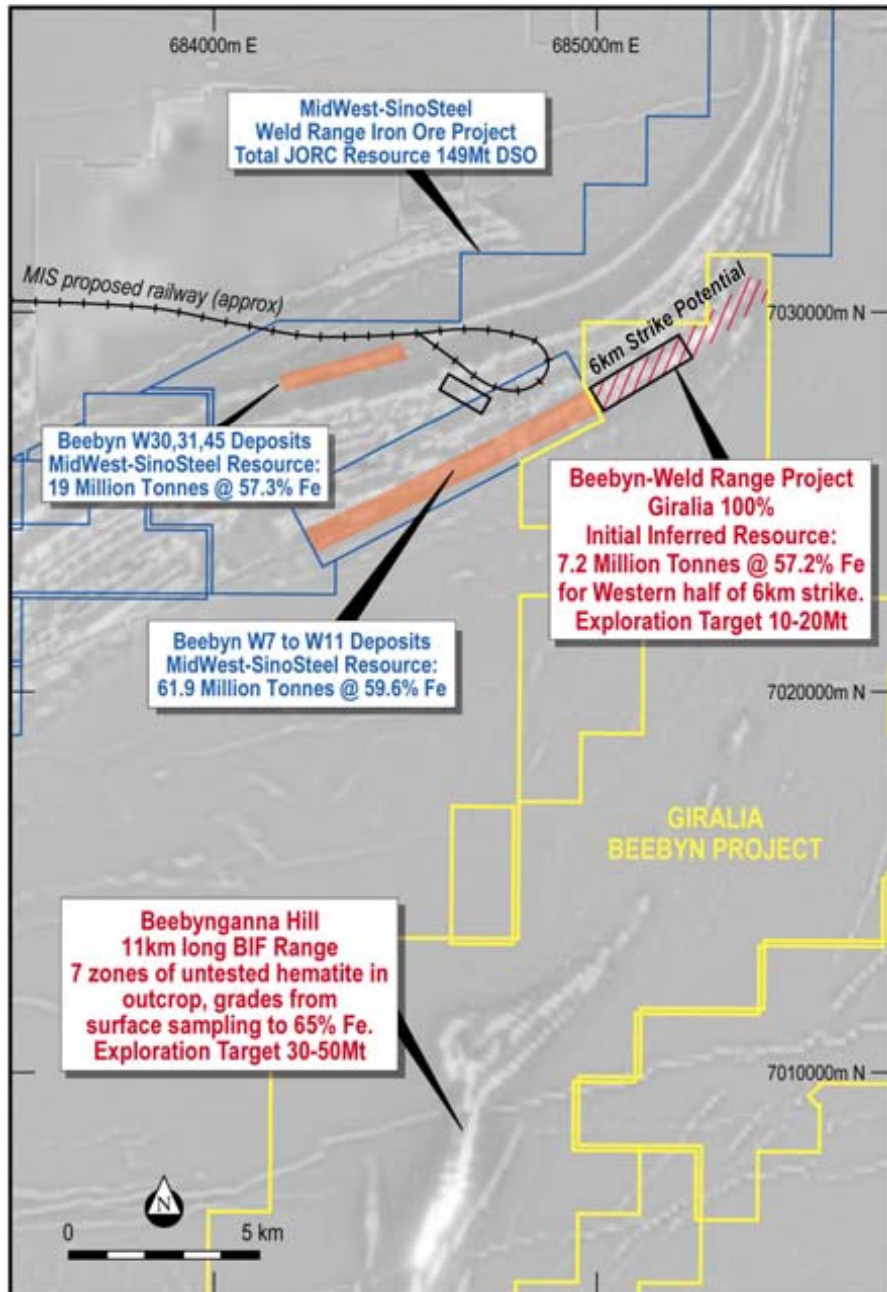
A detailed aeromagnetic survey was flown during the quarter over the Western Creek and Homestead prospects. Further drilling is planned to test the Homestead prospect along with Channel Iron Deposit ("CID") targets, following interpretation of the magnetic data, and field verification.

Beebyn Iron Ore Project - (Giralia 100%)

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 during the quarter that the Australian and WA State Governments have jointly committed \$678 million toward construction of the Oakajee port.

Two target areas for hematite direct shipping ore ("DSO") have been identified at Beebyn. The "**Beebyn-Weld Range**" prospect comprises a 6 kilometre long 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 around 50% of the strike. At the "**Beebynganna Hills**" prospect, an 11 kilometre long iron formation range located just south of the Weld Range, initial drilling in late 2008 returned intersections of hematite including **10 metres @ 57.7% Fe** and **6 metres @ 61.8% Fe**.

All approvals are in place for an 83 hole drilling program to extend the current hematite resource at the Beebyn-Weld Range deposit, along with further drill testing of hematite zones at the nearby Beebynganna Hills discovery. Drilling is scheduled to commence in early August 2009.



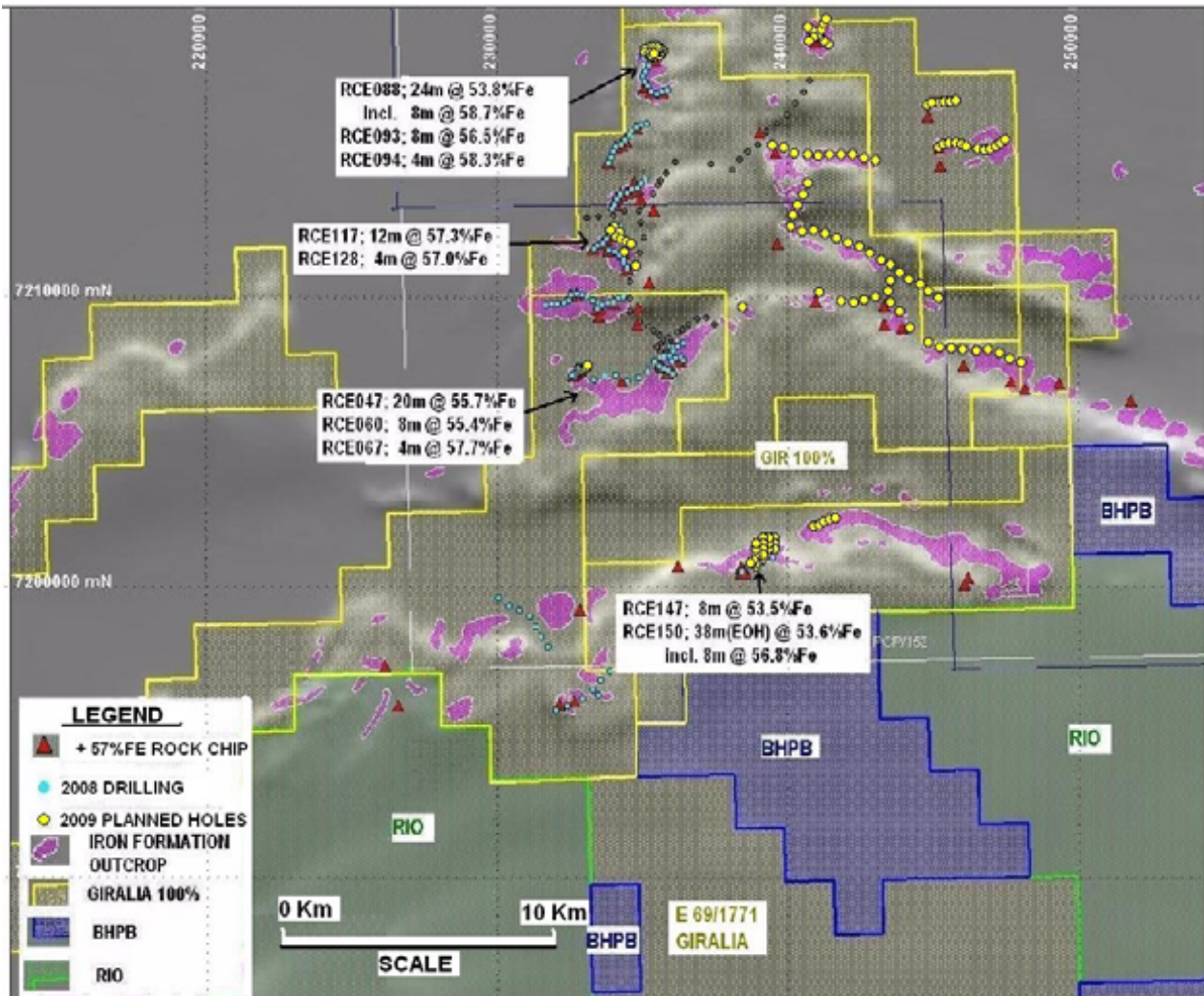
Beebyn Project locations on grey scale aeromagnetic image

Earaheedy Iron Ore Project (Giralia 100%)

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

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

Final permitting approval is awaited for a 128 hole drilling program at Earaeheedy, 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 during the quarter.



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

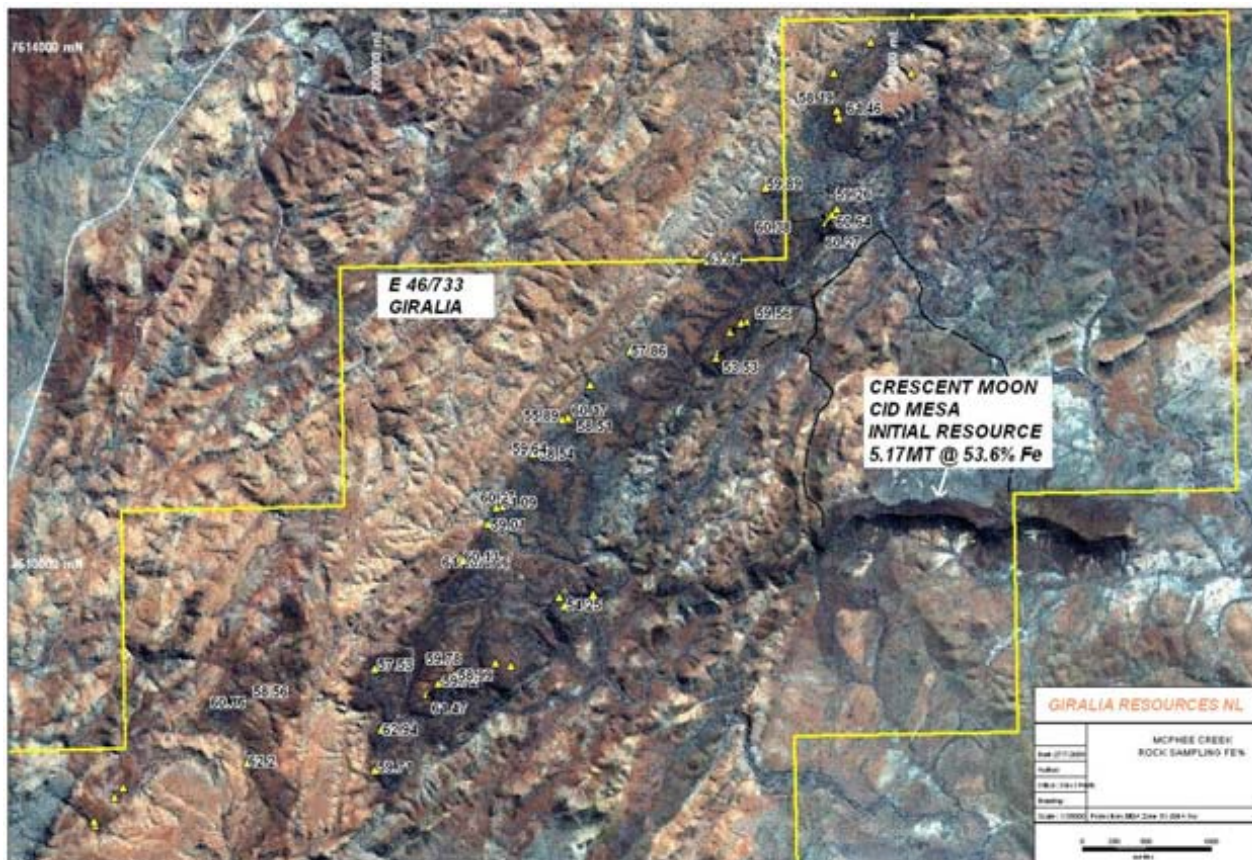
McPhee Creek Iron Ore Project - (Giralia 100%)

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. Geological consultants CSA Global Pty Ltd (CSA) completed an initial resource JORC estimate of **5.17 million tonnes @ 53.6 % Fe (60.4% CaFe)** for the central portion of the Crescent Moon mesa drilled to date.

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 very 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. Iron grades reached a maximum of 63.8% Fe. 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.



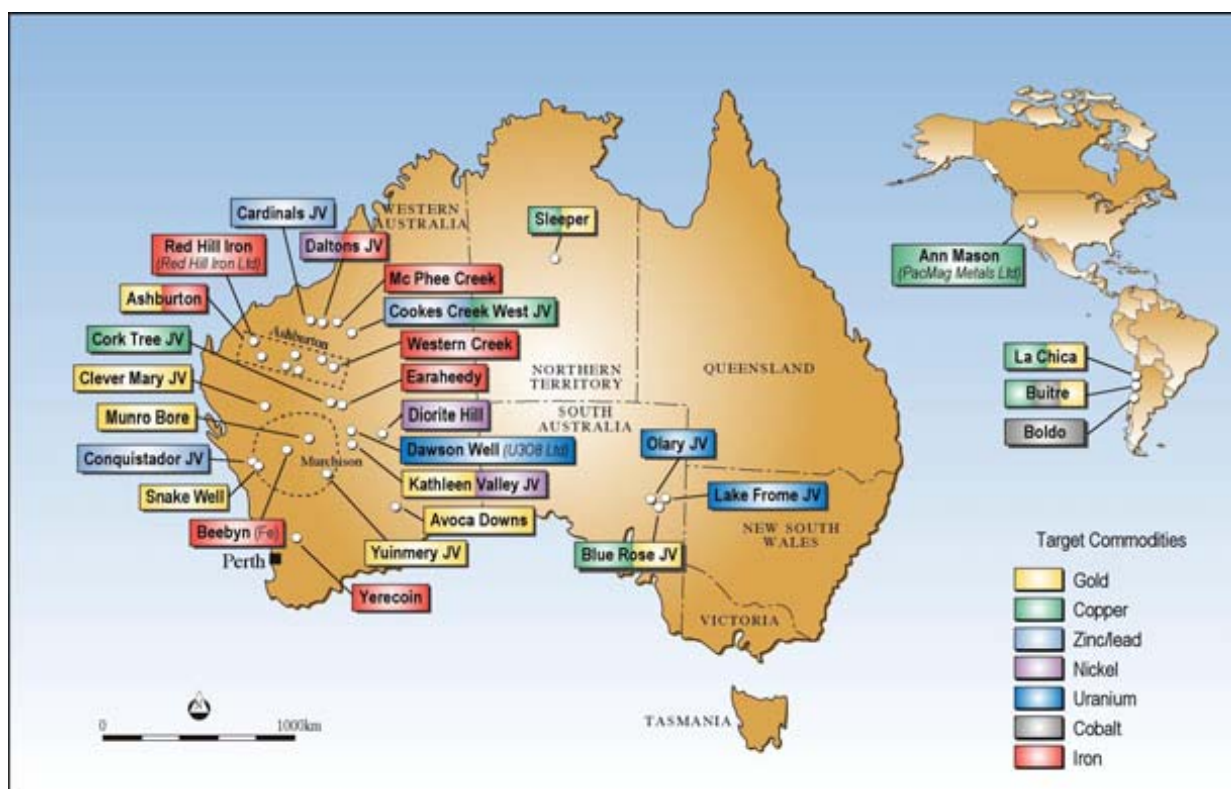
McPhee Creek Landsat image showing Fe% results from rock sampling of range west of Crescent Moon mesa

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

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

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

OTHER PROJECTS



Location Plan – Giralia Projects

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

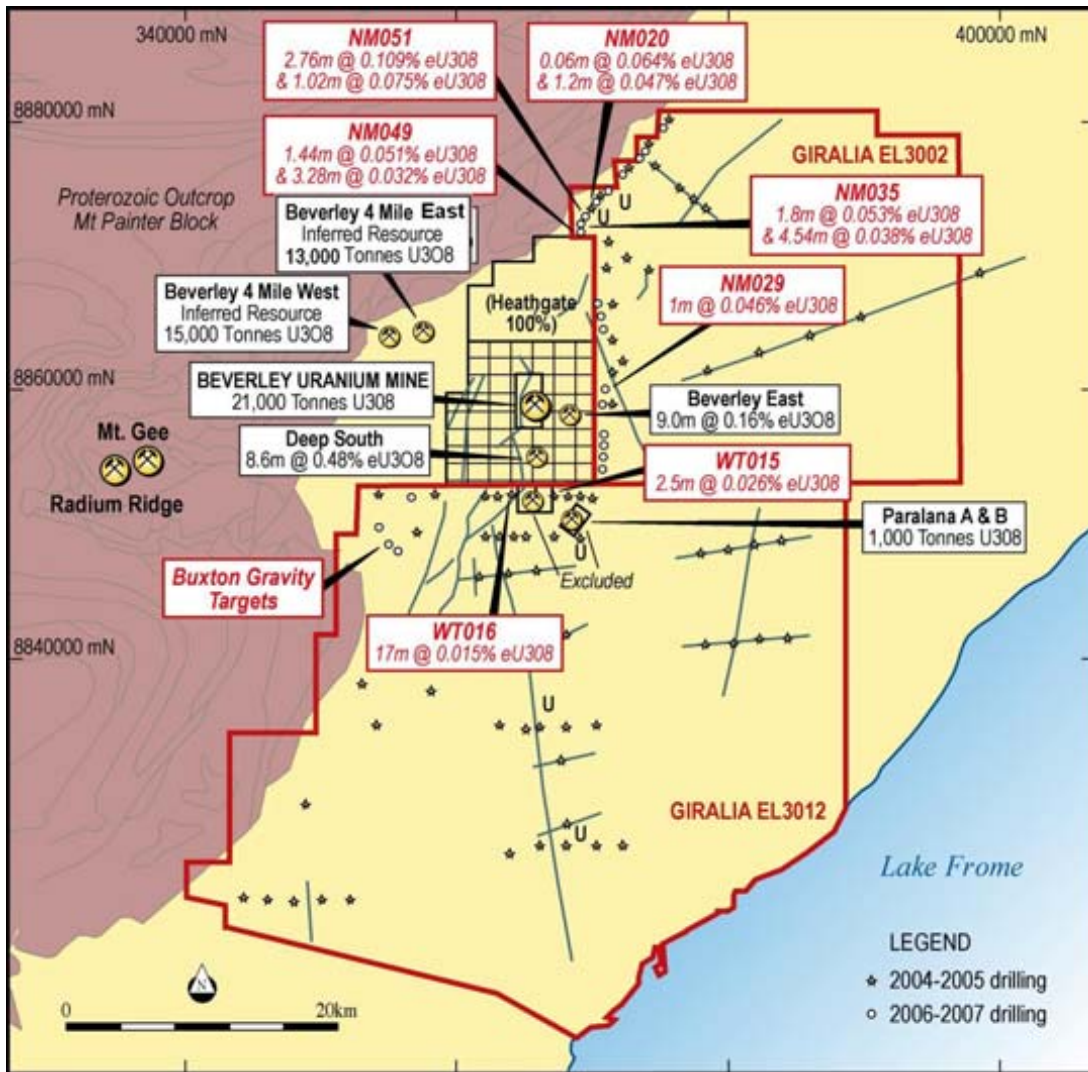
The Company's key Lake Frome Joint Venture is located adjacent to the operating Beverley in-situ leach uranium mine in South Australia. The mine owner, Heathgate Resources Pty Ltd ("Heathgate"), an affiliate of the US utility General Atomic, is the holder of one of the few export licences for uranium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

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

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

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.

On 14 July 2009 Alliance Resources Limited ("Alliance") announced that the Australian Government had approved the Four Mile Uranium Mine. On 24 June 2009 Alliance reported a total resource of 8 million tonnes @ 0.35% U3O8 at Four Mile 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. Alliance has reported that production from 4 Mile is scheduled to commence in January 2010. Heathgate affiliate Quasar Resources Pty Ltd holds 75% interest in Four Mile, on similar terms to those that apply to Giralia's Lake Frome JV.



Lake Frome JV summary plan

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

Snake Well Gold Project (Giralia 100%)

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

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

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

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

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

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

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

Planning is in progress to evaluate these and other targets. Evaluation will be by tightly targeted RAB drilling across the EM features. The RAB drilling will also 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. The programme will commence in the next quarter.

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

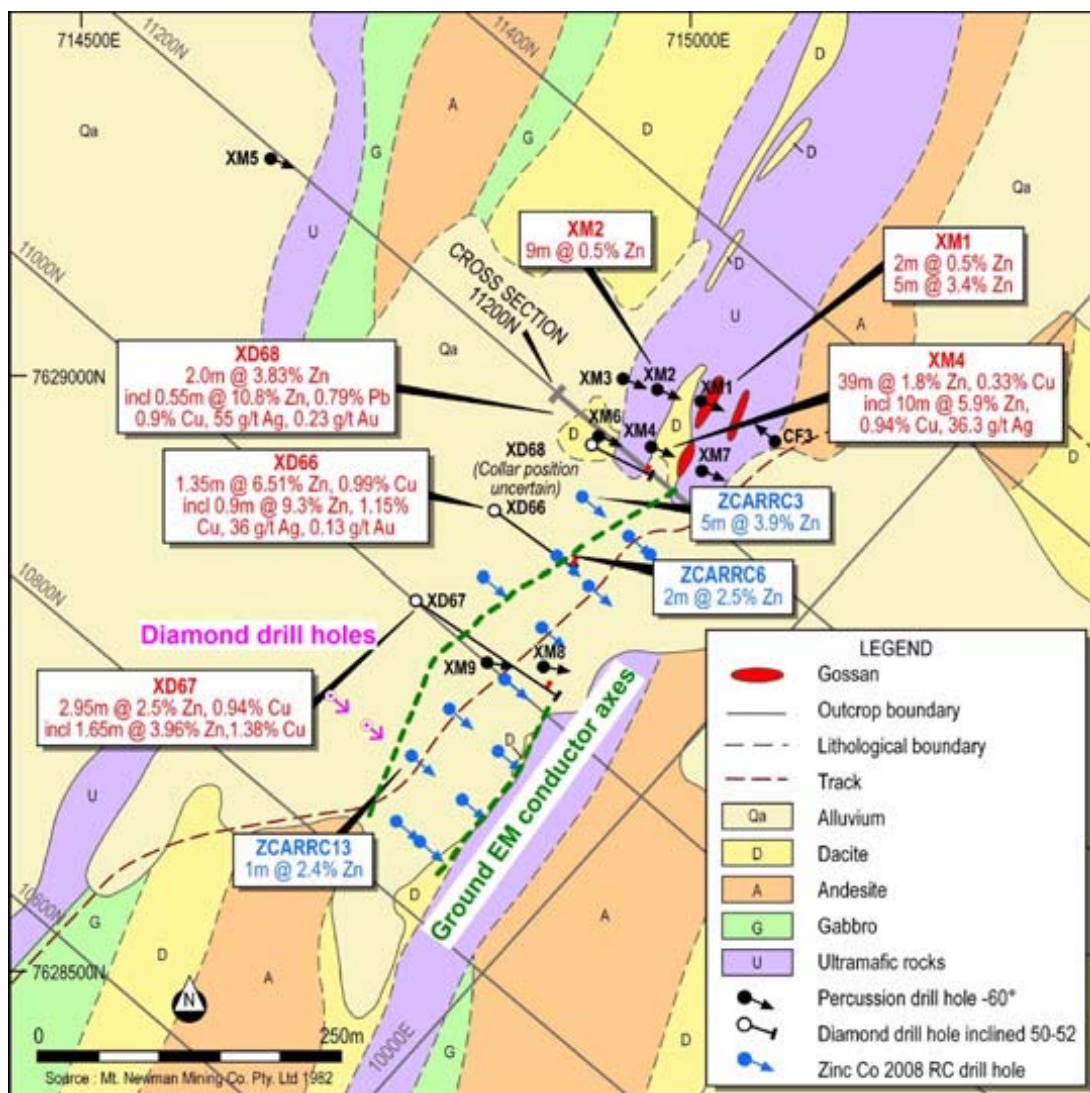
The Cardinals project is a joint venture between Zinc Co Australia ("Zinc Co") as manager (earning up to 75%) and Giralia. Giralia retains nickel rights. Zinc Co report that drilling commenced late in the quarter at the Cardinals project, testing a well defined geophysical target for volcanic hosted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

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

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

In the December 2008 quarter the Cardinals prospect was surveyed with a modern moving loop EM system which confirmed a strong conductor with an east and a west zone extending for 500 metres south west of the gossan. 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.

As announced to the ASX on 6 July 2009, a diamond drilling programme commenced after the end of the quarter 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 volcanoclastic unit after passing through massive lavas. The volcanoclastic 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 volcanoclastic unit. Sulphide content also increases towards the volcanoclastic which shows strong matrix replacement by sulphides, including bands of sphalerite. A second hole was collared to test beneath this intersection. The core is being cut for analysis and assays will be reported in due course.



Cardinals Prospect diamond drill hole locations

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

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

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

The Blue Rose – Oлары 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.

Olary Uranium Joint Venture (Giralia 100%)

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

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

Four shallow reverse circulation holes were drilled on EL 3849 to test ground anomalies of up to 15,000 cps (surveyed in the March Quarter).

The total meterage is 295 metres. Hole AMRC001 was redrilled after a hammer change at 35 metres.

A total of eighty-nine samples were collected, including sixty-six 4metre composite samples, including three duplicate samples, the rest being a combination of 1, 2, 3 and 5metre composite samples.

The 1metre samples were taken when ground radiometric readings were at least double the background. Out of eighty-nine samples, eighty were analysed for a 33 element four acid ICP-AES suite. Out of those eighty samples, 36 samples also assayed for Au. Assay results are still pending.

Hole_ID	Easting	Northing	Depth (m)	Dip°	Azimuth°	Comments
AMRC001	422929	6447452	35	-60	180	Hammer change @35m
AMRC001(redrill)	422929	6447449	60	-60	180	Redrill of 001
AMRC002	422889	6447450	70	-60	180	No return @ 34 & 35, blocked Hammer & rods
AMRC003	422852	6447454	70	-60	180	
AMRC004	422969	6447438	70	-60	180	

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

La Mancha Resources Australia Pty Ltd (formerly Mines & Resources Australia Pty Ltd) reports that no field work was carried out at the Yuinmery Joint Venture tenements.

Ashburton (Giralia 100%)

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.

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

PacMag Metals Limited reports no field activities during the quarter on the Corktree copper prospect located around 80 kilometres north of Wiluna, and 25 kilometres ESE of Sandfire Resources NL's Doolgunna copper discovery. Reconnaissance mapping and sampling 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.

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

Xstrata Nickel (formerly Jubilee Gold Mines NL) operates the Kathleen Valley and Mt Harris joint venture tenements north of Jubilee's Cosmos nickel mine. Geochemical and geophysical surveys were completed during the quarter. Seven anomalies have been generated from the regional soil sample program over the Intrusive Complex within the Mt Harris and Kathleen Valley JV tenements. Seven anomalies have been generated from the regional soil survey lines conducted over the Kathleen Valley Intrusion. Of these seven anomalies: Three are 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 Au), and one is a Cu 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 the airborne EM survey (VTEM: Versatile Time-Domain ElectroMagnetic) that was flown in December 2008 has been completed. Several anomalies have been identified, some related to obvious cultural features but others that appear to be related to geological features.

A 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 & 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.

R M Joyce

28 June 2009

Director

Perth, WA

The information in this report that relates to Exploration Results, is based on information compiled by R M Joyce, who is a 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 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.