

## ASX ANNOUNCEMENT

### NEW HEMATITE DISCOVERY AT MCPHEE CREEK

- Encouraging results from the first 12 holes from an initial widely spaced iron ore drilling program testing the 8km long main range at Giralia's 100% owned McPhee Creek project;
  - **58m @ 55.6% Fe from 4 metres depth including 36m @ 58.1% Fe**
  - **16m @ 57.2% Fe open at end of hole**
- Project located 220 kilometres south east of Port Hedland.
- Results for a further 35 holes to come, with drilling rig now mobilising to wholly owned Earraheedy project.

The Directors of Giralia Resources NL (Giralia) report encouraging first results from drilling at the main range at the Company's 100% owned McPhee Creek iron ore prospect, located 220 kilometres south-east of Port Hedland in the Pilbara region of Western Australia and around 50 kilometres north of BC Iron Limited/ FMG's Nullagine-Bonnie Creek channel iron deposits ("CID").

Previously reported helicopter supported rock chip sampling and mapping has defined a major zone of unexplored iron ore potential along an 8 kilometre long range at McPhee Creek. Results from sampling of the main range were very encouraging, with 40 of 75 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 fully permitted, and an access road constructed to the top of the range.

A preliminary 47 hole (3,027metres) first pass RC drilling program was completed in mid September on the main range at McPhee Creek, comprising widely spaced holes on traverses up to 600 metres apart. Assays have been received for the first 12 holes of this program, drilled at the northern end of the range, with significant iron ore intersections returned; **58 metres @ 55.6% Fe, including 36 metres @ 58.1% Fe, 2.1% Al<sub>2</sub>O<sub>3</sub>, 0.05% P, and 16 metres (to end of hole) @ 57.2% Fe, 2.0% Al<sub>2</sub>O<sub>3</sub>, 0.06% P.**

**Table 1: Mc Phee Creek main range, RC drilling September 2009: Intersections >4m @>55%**

Hole No	Coordinates		Dip	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	CaFe %	P %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %
	East	North											
RCMC046	203588	7613476	-60	114	0	22	22	50.7	55.9	0.03	14.4	2.9	9.37
				incl.	<b>0</b>	<b>8</b>	<b>8</b>	<b>55.9</b>	<b>62.3</b>	0.03	5.1	3.5	10.34
				and	14	22	8	54.5	59.7	0.03	12.0	1.0	8.58
				and	<b>48</b>	<b>56</b>	<b>8</b>	<b>56.0</b>	<b>60.2</b>	0.03	12.3	0.5	6.95
				incl.	<b>50</b>	<b>54</b>	<b>4</b>	<b>60.1</b>	<b>64.9</b>	0.03	5.7	0.7	7.43
RCMC047	203554	7613581	-60	54	<b>0</b>	<b>4</b>	<b>4</b>	<b>55.5</b>	<b>62.1</b>	0.04	5.4	3.9	10.65
RCMC048	203586	7613554	-60	60	<b>44</b>	<b>60</b>	<b>16</b>	<b>57.2</b>	<b>63.6</b>	0.06	5.4	2.0	10.05
RCMC051	203271	7613339	-60	78	<b>4</b>	<b>62</b>	<b>58</b>	<b>55.6</b>	<b>60.3</b>	0.06	8.6	3.1	7.93
				incl.	<b>22</b>	<b>58</b>	<b>36</b>	<b>58.1</b>	<b>62.6</b>	0.05	6.6	2.1	7.12
RCMC053	203474	7612778	-60	73	0	36	36	53.1	<b>59.5</b>	0.01	8.9	4.1	10.81
				incl.	<b>14</b>	<b>30</b>	<b>16</b>	<b>55.2</b>	<b>61.8</b>	0.01	7.0	3.2	10.74
				incl.	<b>14</b>	<b>24</b>	<b>10</b>	<b>57.6</b>	<b>64.3</b>	0.01	5.0	2.2	10.54

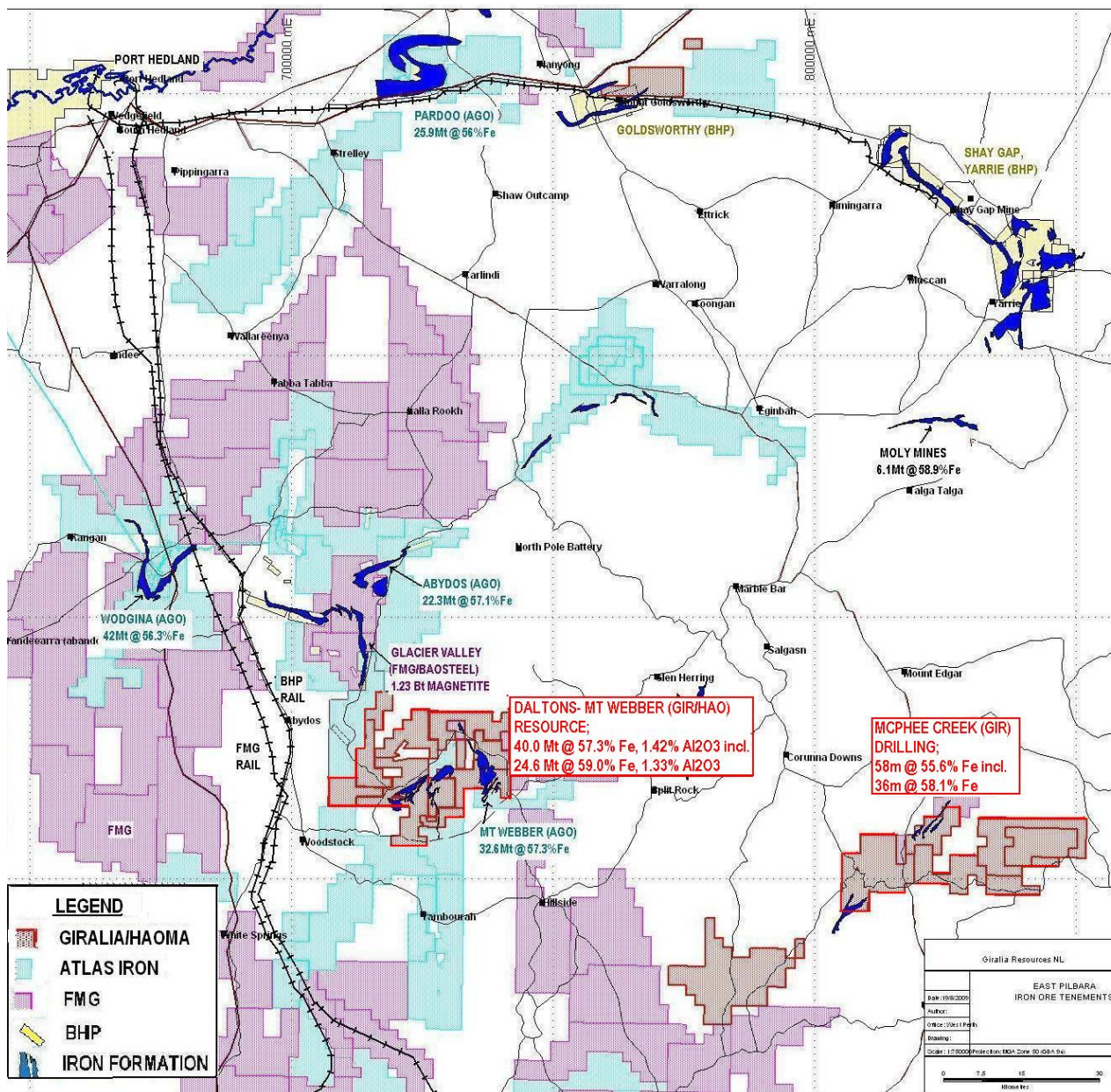
*RC drill samples collected as 2m riffle split composites. Intersections quoted using lower cut-offs of 50% Fe. All coordinates in MGA Zone 51 GDA 94, by hand held GPS (± 5m). XRF analyses by Spectrolab Laboratory Geraldton. QA/QC included typically field duplicate samples and two standards (Certified Reference Material), comprising one coarse standard and one pulverised standard for each drill hole. CaFe is a measure of iron content upon removal of volatiles (i.e. LOI).*

An earlier 43 hole drill program in mid 2008 at McPhee Creek tested a channel iron deposit mesa just to the east of the main range (Crescent Moon CID mesa) defining an initial JORC resource of **5.17 million tonnes @ 53.6 % Fe (60.4% CaFe)**.

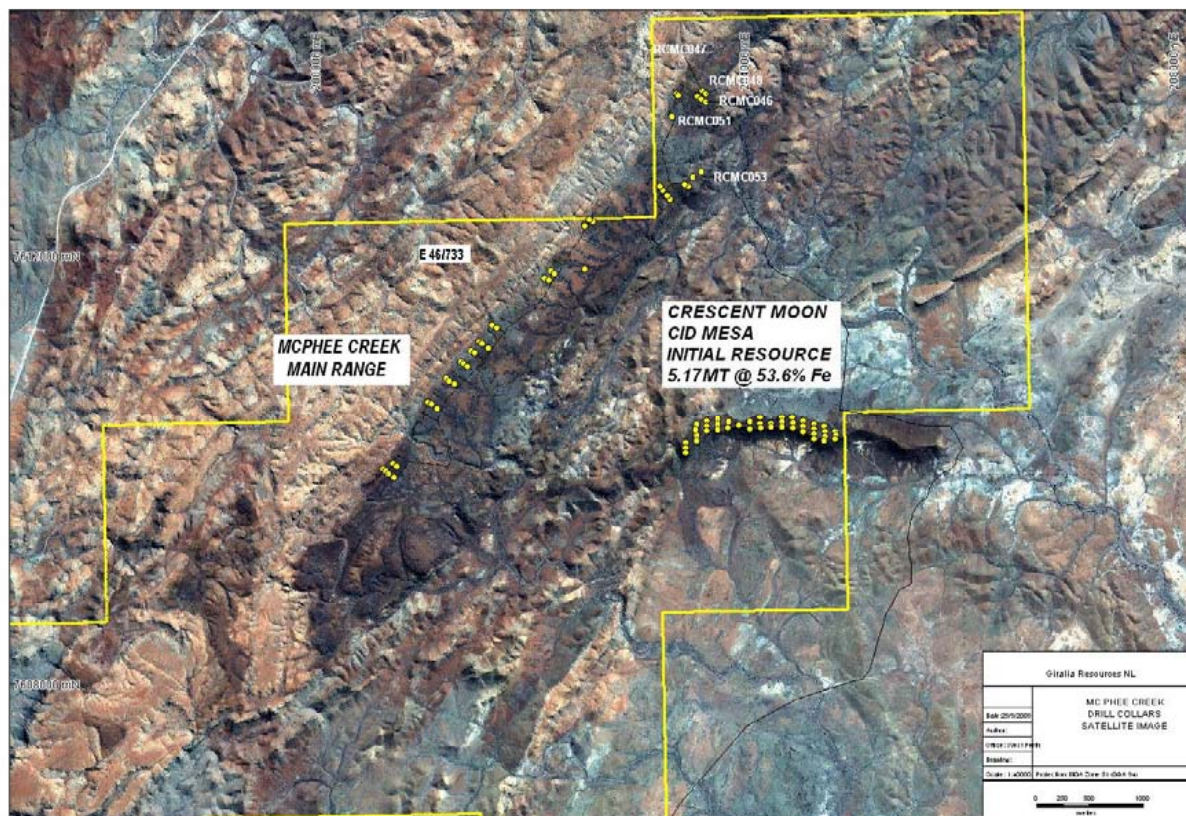
Assay results are awaited for a further 35 holes completed at McPhee Creek before the drilling rig was mobilised to the Earahedy project where a 128 hole program is fully permitted, and construction of new access tracks and drill pads is nearing completion.

**R M Joyce  
DIRECTOR**

**30 September 2009**



**Fig 1; Iron ore projects in the Port Hedland area. Giralia's tenements in red.**



**Fig 2; McPhee Creek Project, drill collars on satellite image**

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

## About Giralia Resources NL

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

**Beebyn (100%) – Hematite** (MidWest) – Adjoins Sinosteel Weld Range deposits. Initial Inferred Mineral Resource **7.2 million tonnes @ 57.2% Fe**. Major upside at nearby Beebynganna Hills project, where 7 new zones of hematite have been discovered.

**Western Creek (100%) – Hematite** (15 km W of Newman) – Marra Mamba iron ore as direct extensions to BHP Silver Knight deposit. Inferred Mineral Resource **52.4 million tonnes @ 56.7% Fe**. Deposit is near surface, with several zones open ended.

**Earaheedy (100%) – Hematite** (200 km S of Newman) – 23 known hills with rock sample grades over 57% Fe, within 130 kilometres of iron formations on Giralia tenements, with shallow dips indicating large tonnage potential. Drilling; 20 metres @ 55.7% Fe, 8 metres @ 58.7% Fe, and 12 metres @ 57.3%Fe from 8 hills tested to date.

**Anthiby Well (100%\*) -CID** (Pilbara) – Channel iron deposit (CID) mesas, drill intersections include 32 metres @ 55.1%Fe including 24 metres @ 56.0%, 22 metres @ 56.3%Fe, and 18 metres @ 56.2%Fe. Initial Inferred Mineral Resource **63.5 million tonnes @ 50.5% Fe, including 37.6 million tonnes @ 53.6% Fe (59.1%CaFe)**. \* subject to production royalty

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

**Daltons (75%) - Hematite** (Pilbara) – newly discovered 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%Al<sub>2</sub>O<sub>3</sub>**. 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 over the last 3 years. Giralia shareholders have benefited through priority IPO entitlements and in specie distributions, and ongoing exposure to upside from exploration success.

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