

ASX ANNOUNCEMENT

STRONG RESULTS FROM MCPHEE CREEK RESOURCE DRILLING

- Resource definition drill-out of the new 100% owned McPhee Creek main range discovery.
- Results continue to indicate a significant hematite iron ore deposit, located 220 kilometres south east of Port Hedland;
 - **50 metres @ 60.3% Fe, 1.6% Al₂O₃**
 - **56 metres @ 59.0% Fe, 2.0% Al₂O₃**
 - **80 metres @ 56.1% Fe, open at end of hole**
- Shallow dips indicate large tonnage potential along the range which is ~8 kilometres long and up to 1 kilometre wide.
- Conservative initial Exploration Target established of 100 to 140 Mt @ 57 to 60% Fe* for the western side of the range.
- Initial JORC resource scheduled for mid December.

The Directors of Giralia Resources NL (Giralia) are pleased to report results from resource definition infill drilling 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").

Initial drilling in mid September confirmed a significant hematite deposit on the main range at McPhee Creek, including intersections of **90 metres @ 58.6% Fe** from surface to end of hole, and **46 metres @ 60.2% Fe**.

A total of 71 RC drill holes have now been completed on the new main range discovery, with new results from the infill resource definition drilling along the western edge of the deposit continuing to return exciting results, confirming continuity of thick shallow dipping sheets of hematite, open down dip to the east. New results include **50 metres @ 60.3%Fe**, **56 metres @ 59.0%Fe**, and **80 metres @ 56.1%Fe**. Many holes were still in ore grade at the end of hole.

Most importantly there is good evidence from surface mapping that mineralisation extends further east than the area currently drilled, with outcropping very shallow dipping hematite located several hundred metres further east. As the eastern most hole on most sections drilled is mineralised, this suggests that relatively flat lying mineralisation could extend considerably further than currently modelled in the Company's conservative initial **Exploration Target** of **100 to 140 million tonnes** of hematite iron ore (57-60%Fe) for the main range deposit.

A maiden JORC resource estimate incorporating all drilling to date is anticipated by mid December.

** 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.*

Table 1: Mc Phee Creek main range, RC drilling September 2009: Intersections >10m @>55%

Hole No	Coordinates		Dip/Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	CaFe %	P %	SiO2 %	Al2O3 %	LOI %
	East	North											
*RCMC048	203586	7613554	-60/305	60	44	60	16 (EOH)	57.2	63.6	0.06	5.4	2.0	10.05
*RCMC051	203271	7613339	-60/300	78	4	62	58	55.6	60.3	0.06	8.6	3.1	7.93
				incl.	22	58	36	58.1	62.6	0.05	6.6	2.1	7.12
#RCMC057	203229	7612607	-60/135	66	6	26	20	56.0	61.3	0.05	9.5	2.1	8.75
#RCMC058	203190	7612656	-60/140	60	6	50	44	55.4	59.5	0.05	13.3	1.0	6.92
				incl.	8	26	18	59.9	65.0	0.06	5.8	1.1	7.83
#RCMC060	202500	7612384	-60/300	60	26	48	22	57.9	64.8	0.13	4.3	1.9	10.76
#RCMC061	202535	7612368	-60/300	72	26	72	46 (EOH)	60.2	65.2	0.07	3.8	2.0	7.66
#RCMC062	202460	7612325	-60/330	54	20	54	34 (EOH)	58.9	63.7	0.10	5.0	2.9	7.57
^RCMC064	202148	7611904	-60/305	78	12	70	58	59.0	65.7	0.06	3.2	1.5	10.20
^RCMC065	202181	7611882	-60/300	74	24	74	50(EOH)	57.0	63.7	0.06	4.3	3.3	10.67
				incl.	40	74	34(EOH)	58.9	65.6	0.05	3.1	2.1	10.35
^RCMC066	202088	7611834	-60/300	66	18	38	20	56.7	60.7	0.07	9.2	2.8	6.74
^RCMC067	202124	7611816	-60/300	72	20	44	24	57.2	62.0	0.10	7.4	3.0	7.65
^RCMC082	201028	7610661	-60/300	60	2	42	40	54.3	59.6	0.07	9.6	4.3	8.91
^RCMC083	201085	7610625	-60/295	54	12	44	32	55.2	61.1	0.10	7.8	3.6	9.60
				incl.	20	42	22	57.4	63.5	0.12	5.0	3.2	9.64
^RCMC084	200681	7609971	-60/305	72	20	62	42	60.1	65.2	0.09	4.1	2.2	7.87
^RCMC085	200669	7610099	-60/310	72	0	62	62(EOH)	57.3	63.1	0.16	6.6	2.4	9.22
^RCMC086	200705	7610075	-60/305	90	0	90	90(EOH)	58.6	65.1	0.13	3.9	1.7	10.00
^RCMC087	200575	7610048	-60/310	48	0	38	38(EOH)	57.7	65.1	0.26	3.1	2.3	11.31
^RCMC088	200601	7610029	-60/300	60	22	56	34	55.9	62.4	0.10	6.3	2.6	10.31
				incl.	30	56	26	57.2	64.1	0.11	4.6	2.4	10.74
RCMC090	200601	7609905	-60/305	78	20	52	32	55.4	61.2	0.13	6.2	3.6	9.4
RCMC091	200715	7609945	-60/305	117	20	42	22	56.6	63.5	0.11	6.6	2.6	11.0
				and	60	110	50	60.3	63.8	0.09	5.3	1.6	5.6
RCMC092	200755	7610033	-60/310	96	26	82	56	59.0	64.5	0.12	3.5	2.0	8.5
RCMC093	200798	7610138	-60/300	84	24	84	60(EOH)	57.2	64.0	0.15	3.6	2.5	10.7
				incl.	46	82	36	58.6	65.5	0.15	2.7	1.4	10.6
RCMC094	200743	7610174	-60/300	14	0	14	14(EOH)	59.1	64.1	0.07	4.6	3.0	7.8
RCMC096	201127	7610598	-60/300	60	26	60	34(EOH)	57.0	63.3	0.11	4.6	2.6	9.9
				incl.	34	60	26(EOH)	57.7	64.0	0.12	4.1	2.3	9.8
RCMC097	200844	7610419	-60/300	54	0	30	30	56.0	60.6	0.05	9.0	2.9	7.6
				incl.	0	14	14	58.1	62.0	0.03	7.4	2.5	6.3
RCMC098	200897	7610406	-60/300	78	0	14	14	56.6	63.3	0.08	4.5	3.0	10.7
				and	28	54	26	57.4	62.0	0.08	7.7	2.4	7.4
RCMC101	201156	7610706	-60/300	120	28	48	20	55.1	61.0	0.06	6.4	4.1	9.8
RCMC102	201315	7610904	-60/300	62	24	62	38(EOH)	55.7	62.2	0.04	5.5	3.0	10.4
RCMC105	202202	7611870	-60/300	102	22	102	80(EOH)	56.1	63.1	0.06	4.2	3.1	11.1
				Incl.	80	102	22(EOH)	58.8	66.2	0.07	2.4	1.7	11.2
RCMC107	202208	7611982	-60/300	48	20	48	28(EOH)	58.2	62.6	0.07	6.2	3.4	7.0
RCMC108	202563	7612347	-60/300	69	46	69	23(EOH)	55.9	62.2	0.09	5.0	3.6	10.2
				incl.	50	66	16	57.6	64.2	0.11	3.8	2.5	10.4
RCMC109	203393	7612709	-60/300	72	40	60	20	57.0	63.4	0.02	5.2	1.9	10.1
RCMC110	203300	7613318	-60/300	78	36	58	22	57.5	61.7	0.04	7.1	1.7	6.9
				and	38	56	18	58.9	63.3	0.04	5.3	1.4	7.0

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 ($\pm 5m$). XRF analyses by Spectolab Laboratory Geraldton. QA/QC included field duplicate samples and Certified Reference Materials. CaFe is a measure of iron content upon removal of volatiles (i.e. LOI). *Holes marked previously reported 30 Sept 09. #Holes marked previously reported 13 Oct '09. ^Holes marked previously reported 16 Oct '09.

The Company will initiate a Scoping Study on development options immediately on receipt of the initial JORC resource estimate for the main range, with a base case of road haulage to Port Hedland.

R M Joyce
DIRECTOR

8 December 2009

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

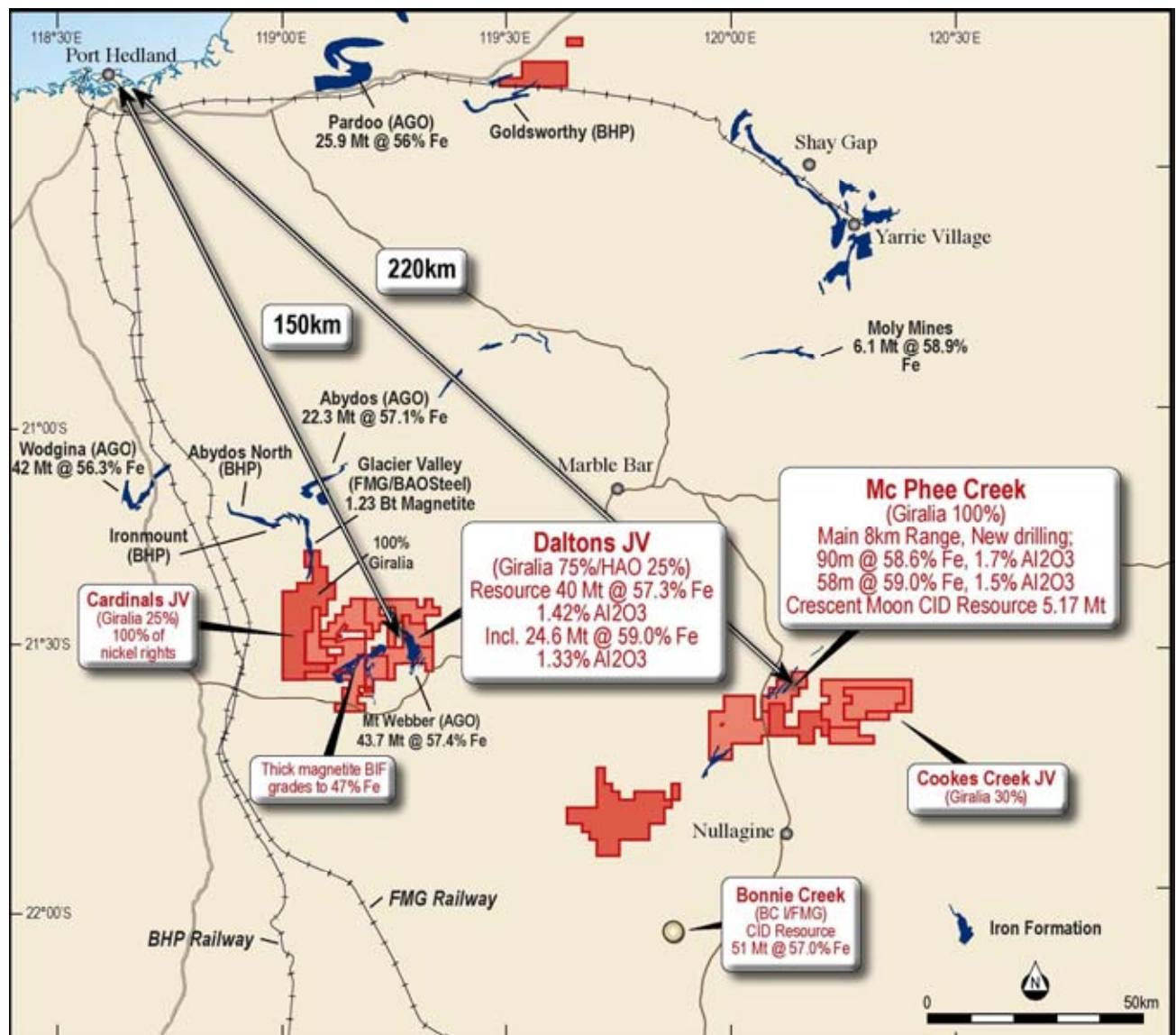


Fig 1; Iron ore projects in the Port Hedland area. Giralia's tenements in red.

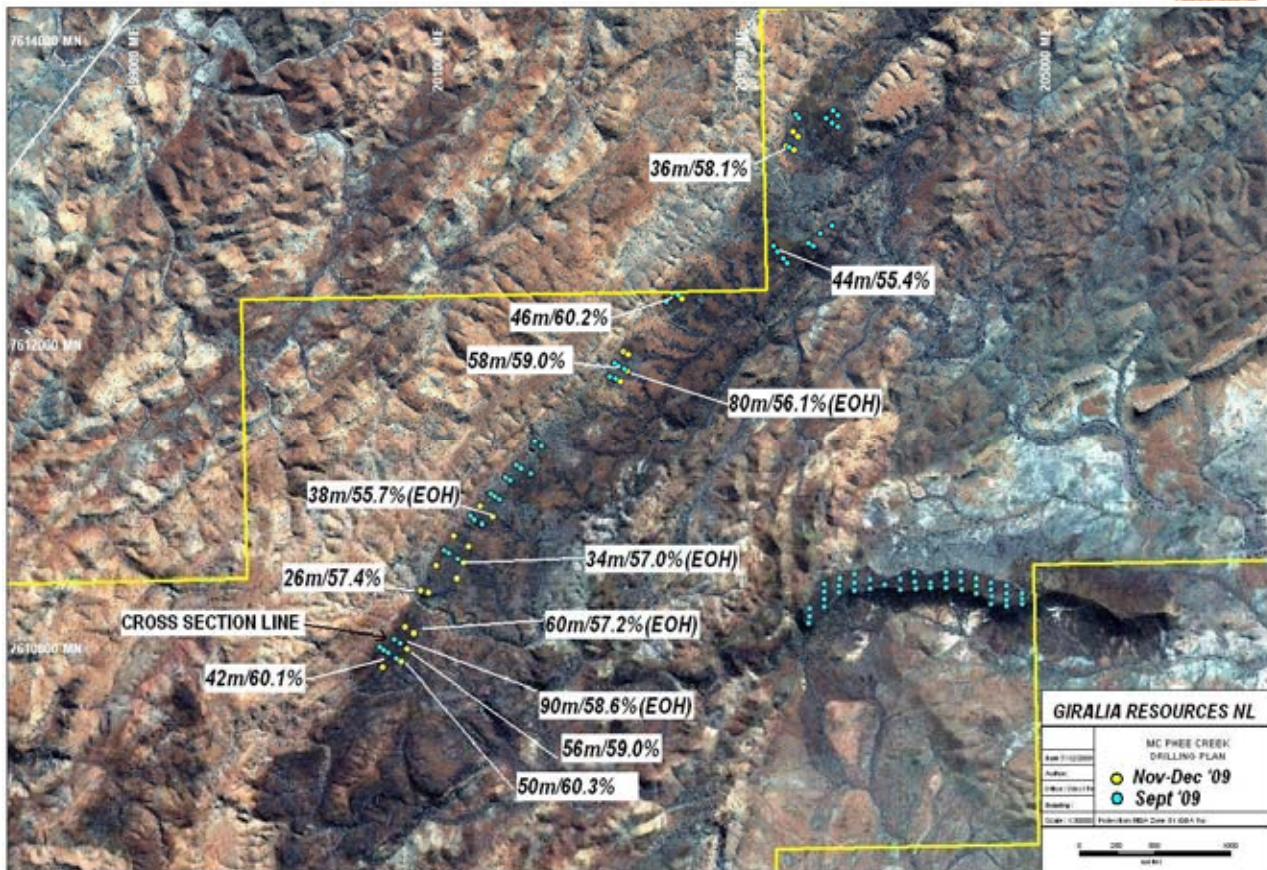


Fig 2; McPhee Creek Project, satellite image with drill holes

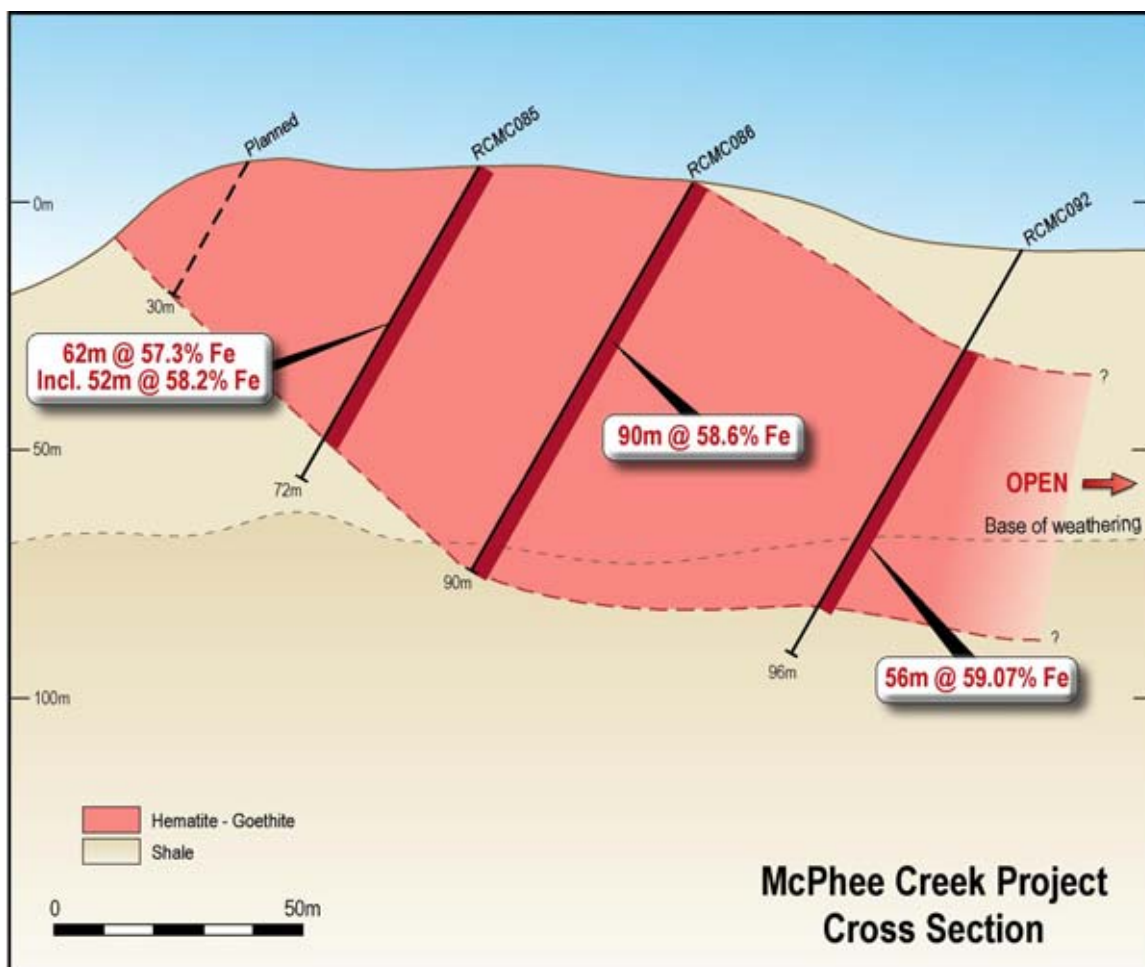


Fig 3; McPhee Ck main range cross section

About Giralia Resources NL

Giralia Resources NL ("ASX: GIR") is a well funded (~\$65 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. Initial Inferred Mineral Resource **5.17 million tonnes @ 53.6% Fe (60.4%CaFe)**. Major new discovery to west.

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. 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%